

**SUBSTITUTE FOR
SENATE BILL NO. 372**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2000; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999
2

For Fiscal Year Ending
September 30, 2000

1 STATE TRANSPORTATION DEPARTMENT

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	3,176.3	
5	GROSS APPROPRIATION.....		\$ 2,832,730,700
6	Interdepartmental grant revenues:		
7	IDT, intradepartmental charges.....		10,459,500
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		10,459,500
10	ADJUSTED GROSS APPROPRIATION.....		\$ 2,822,271,200
11	Federal revenues:		
12	DOT, federal transit act.....		26,146,000
13	DOT-FHWA, highway research, planning, and		
14	construction.....		800,525,000
15	DOT-FRA, local rail service assistance.....		2,000,000
16	DOT-FRA, rail passenger/HSGT.....		3,000,000
17	Total federal revenues.....		831,671,000
18	Special revenue funds:		
19	Local funds.....		5,300,000
20	Total local revenues.....		5,300,000
21	Total private revenues.....		0
22	Total local and private revenues.....		5,300,000
23	Michigan transportation fund.....		1,024,787,200
24	Blue Water Bridge fund.....		12,395,400
25	State trunkline fund.....		696,404,000
26	State aeronautics fund.....		8,891,000

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999
3

For Fiscal Year Ending
September 30, 2000

1	Comprehensive transportation fund.....	227,322,800
2	Intercity bus equipment fund.....	500,000
3	Rail preservation fund.....	2,000,000
4	General fund restricted purpose.....	12,999,800
5	Total other state restricted revenues.....	1,985,300,200
6	State general fund/general purpose..... \$	0
7	TOTAL PAYMENTS TO LOCALS..... \$	1,102,182,700
8	Sec. 102. DEBT SERVICE	
9	State trunkline..... \$	35,904,600
10	Trunkline bonds, series 1989A-EDF (\$100,000,000).....	6,608,300
11	Critical bridge.....	3,000,000
12	Blue Water Bridge.....	2,311,900
13	Comprehensive transportation.....	<u>21,209,300</u>
14	GROSS APPROPRIATION..... \$	69,034,100
15	Appropriated from:	
16	Special revenue funds:	
17	Comprehensive transportation fund.....	21,209,300
18	Michigan transportation fund.....	9,608,300
19	State trunkline fund.....	35,904,600
20	Blue Water Bridge fund.....	2,311,900
21	State general fund/general purpose..... \$	0
22	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
23	Michigan transportation fund (MTF)	
24	MTF grant to department of environmental quality..... \$	813,000
25	MTF grant to department of state.....	56,830,800
26	MTF grant to legislative auditor general.....	101,800

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

4

For Fiscal Year Ending
September 30, 2000

1	MTF grant to attorney general.....	2,475,200
2	State trunkline fund (STF)	
3	STF grant to department of civil service.....	1,320,000
4	STF grant to department of management and budget.....	768,100
5	STF grant to department of natural resources.....	37,500
6	STF grant to department of state police.....	8,605,700
7	STF grant to department of treasury.....	24,300
8	STF grant to legislative auditor general.....	381,100
9	State aeronautics fund (SAF)	
10	SAF grant to department of attorney general.....	114,900
11	SAF grant to department of civil service.....	50,000
12	SAF grant to department of management and budget.....	18,200
13	SAF grant to department of treasury.....	61,500
14	SAF grant to legislative auditor general.....	15,400
15	Comprehensive transportation fund (CTF)	
16	CTF grant to department of civil service.....	95,000
17	CTF grant to department of management and budget.....	38,600
18	CTF grant to department of treasury.....	8,900
19	CTF grant to legislative auditor general.....	<u>38,900</u>
20	GROSS APPROPRIATION.....	\$ 71,798,900
21	Appropriated from:	
22	Special revenue funds:	
23	Comprehensive transportation fund.....	181,400
24	Michigan transportation fund.....	60,220,800
25	State aeronautics fund.....	260,000
26	State trunkline fund.....	11,136,700

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

5

For Fiscal Year Ending
September 30, 2000

1	State general fund/general purpose.....	\$	0
2	Sec. 104. EXECUTIVE DIRECTION		
3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	33.3	
5	Unclassified salaries.....	\$	476,500
6	State transportation commission (per diem payments)..		7,200
7	Commission audit--33.3 FTE positions.....		<u>2,911,900</u>
8	GROSS APPROPRIATION.....	\$	3,395,600
9	Appropriated from:		
10	Special revenue funds:		
11	State trunkline fund.....		3,395,600
12	State general fund/general purpose.....	\$	0
13	Sec. 105. ADMINISTRATIVE SERVICES		
14	Full-time equated classified positions.....	138.7	
15	Administration and data center--103.7 FTE positions..	\$	31,227,400
16	Building occupancy charges-property management.....		4,582,400
17	Human resources--30.0 FTE positions.....		2,402,200
18	Economic development administration--5.0 FTE		
19	positions.....		500,700
20	Rent.....		1,940,000
21	Worker's compensation.....		<u>2,528,600</u>
22	GROSS APPROPRIATION.....	\$	43,181,300
23	Appropriated from:		
24	Federal revenues:		
25	DOT-FHWA, highway research, planning, and		
26	construction.....		1,000,000

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

For Fiscal Year Ending
September 30, 2000

1	Interdepartmental grant revenues:		
2	Special revenue funds:		
3	General fund restricted purpose.....		129,800
4	State aeronautics fund.....		631,900
5	Comprehensive transportation fund.....		1,086,200
6	Michigan transportation fund.....		435,600
7	State trunkline fund.....		39,897,800
8	State general fund/general purpose.....	\$	0
9	Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION		
10	Full-time equated classified positions.....	255.5	
11	Administration--255.5 FTE positions.....	\$	<u>20,355,500</u>
12	GROSS APPROPRIATION.....	\$	20,355,500
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	Special revenue funds:		
16	Michigan transportation fund.....		1,048,100
17	State trunkline fund.....		19,307,400
18	State general fund/general purpose.....	\$	0
19	Sec. 107. BUREAU OF TRANSPORTATION PLANNING		
20	Full-time equated classified positions.....	185.1	
21	Administration--185.1 FTE positions.....	\$	20,674,700
22	Grants to regional planning councils.....		<u>488,800</u>
23	GROSS APPROPRIATION.....	\$	21,163,500
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	Federal revenues:		

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

7

For Fiscal Year Ending
September 30, 2000

1	DOT-FHWA, highway research, planning, and		
2	construction.....		11,041,000
3	Special revenue funds:		
4	State aeronautics fund.....		267,000
5	Comprehensive transportation fund.....		1,679,500
6	Michigan transportation fund.....		5,755,200
7	State trunkline fund.....		2,420,800
8	State general fund/general purpose.....	\$	0
9	Sec. 108. BUREAU OF HIGHWAYS		
10	Full-time equated classified positions.....	1,658.1	
11	Engineering operations--826.3 FTE positions.....		\$ 23,250,900
12	Maintenance operations--78.0 FTE positions.....		6,904,700
13	Program services--753.8 FTE positions.....		<u>35,431,100</u>
14	GROSS APPROPRIATION.....		\$ 65,586,700
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDT, intradepartmental charges.....		207,500
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and		
20	construction.....		3,035,000
21	Special revenue funds:		
22	Michigan transportation fund.....		2,182,200
23	State trunkline fund.....		60,162,000
24	State general fund/general purpose.....		\$ 0
25	Sec. 109. HIGHWAY MAINTENANCE		
26	Full-time equated classified positions.....	707.1	

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

8

For Fiscal Year Ending
September 30, 2000

1	State trunkline operations--707.1 FTE positions.....	\$	102,271,100
2	Contract operations.....		<u>126,628,300</u>
3	GROSS APPROPRIATION.....	\$	228,899,400
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDT, intradepartmental charges.....		10,252,000
7	Special revenue funds:		
8	State trunkline fund.....		218,647,400
9	State general fund/general purpose.....	\$	0
10	Sec. 110. ROAD AND BRIDGE PROGRAMS		
11	State trunkline federal aid and road and bridge		
12	construction.....	\$	893,903,700
13	Local federal aid and road and bridge construction...		195,827,000
14	Grants to local programs.....		33,000,000
15	AAA intersection improvement program.....		2,000,000
16	Rail grade crossing.....		3,000,000
17	Critical bridge program.....		5,250,000
18	County road commissions.....		558,320,300
19	Cities and villages.....		<u>311,288,600</u>
20	GROSS APPROPRIATION.....	\$	2,002,589,600
21	Appropriated from:		
22	Federal revenues:		
23	DOT-FHWA, highway research, planning, and		
24	construction.....		785,449,000
25	Special revenue funds:		
26	Local funds.....		5,000,000

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

9

For Fiscal Year Ending
September 30, 2000

1	Michigan transportation fund.....	910,608,900
2	State trunkline fund.....	301,531,700
3	State general fund/general purpose.....	\$ 0
4	Sec. 111. BLUE WATER BRIDGE	
5	Full-time equated classified positions.....	33.0
6	Blue Water Bridge fund operations--33.0 FTE positions	\$ <u>10,083,500</u>
7	GROSS APPROPRIATION.....	\$ 10,083,500
8	Appropriated from:	
9	Special revenue funds:	
10	Blue Water Bridge fund.....	10,083,500
11	State general fund/general purpose.....	\$ 0
12	Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
13	Forest roads.....	\$ 5,040,000
14	Rural county urban system.....	2,500,000
15	Target industries/economic redevelopment.....	23,064,500
16	Urban county congestion.....	9,782,200
17	Rural county primary.....	<u>9,782,200</u>
18	GROSS APPROPRIATION.....	\$ 50,168,900
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Special revenue funds:	
22	General fund restricted purpose.....	12,870,000
23	Michigan transportation fund.....	33,298,900
24	State trunkline fund.....	4,000,000
25	State general fund/general purpose.....	\$ 0
26	Sec. 113. BUREAU OF AERONAUTICS	

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999
10

For Fiscal Year Ending
September 30, 2000

1	Full-time equated classified positions.....	56.0	
2	Administration--56.0 FTE positions.....		\$ 6,732,100
3	Air service program.....		<u>1,000,000</u>
4	GROSS APPROPRIATION.....		\$ 7,732,100
5	Appropriated from:		
6	Special revenue funds:		
7	State aeronautics fund.....		7,732,100
8	State general fund/general purpose.....		\$ 0
9	Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION		
10	Full-time equated classified positions.....	109.5	
11	Administration--109.5 FTE positions.....		\$ <u>8,649,700</u>
12	GROSS APPROPRIATION.....		\$ 8,649,700
13	Appropriated from:		
14	Special revenue funds:		
15	Comprehensive transportation fund.....		7,020,500
16	Michigan transportation fund.....		1,629,200
17	State general fund/general purpose.....		\$ 0
18	Sec. 115. BUS TRANSIT DIVISION: STATUTORY OPERATING		
19	Local bus operating.....		\$ 144,576,300
	Local bus operating: unreserved CTF fund balance		\$ 9,000,000
20	Nonurban operating/capital.....		<u>6,646,000</u>
21	GROSS APPROPRIATION.....		\$ <u>160,222,300</u>
22	Appropriated from:		
23	Federal revenues:		
24	DOT, federal transit act.....		6,546,000
25	Special revenue funds:		
26	Local funds.....		100,000

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999
11

For Fiscal Year Ending
September 30, 2000

1	Comprehensive transportation fund.....	153,576,300
2	State general fund/general purpose..... \$	0
3	Sec. 116. INTERCITY PASSENGER AND FREIGHT	
4	Freight property management..... \$	1,893,300
5	Intercity bus equipment.....	2,824,500
6	Rail passenger service.....	8,812,800
7	Freight preservation and development.....	7,500,000
8	Rail infrastructure loan program.....	2,000,000
9	Detroit/Wayne County port authority.....	408,500
10	Intercity bus service development.....	2,025,500
11	Marine passenger services.....	800,000
12	Terminal development.....	<u>1,000,000</u>
13	GROSS APPROPRIATION..... \$	27,264,600
14	Appropriated from:	
15	Federal revenues:	
16	DOT, federal transit act.....	1,000,000
17	DOT-FRA, local rail service assistance.....	2,000,000
18	DOT-FRA, rail passenger/HSGT.....	3,000,000
19	Special revenue funds:	
20	Local funds.....	50,000
21	Rail preservation fund.....	2,000,000
22	Intercity bus equipment fund.....	500,000
23	Comprehensive transportation fund.....	18,714,600
24	State general fund/general purpose..... \$	0
25	Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT	
26	Specialized services..... \$	3,600,100

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999
12

For Fiscal Year Ending
September 30, 2000

1	Municipal credit program.....	2,000,000
2	Bus capital.....	29,400,000
3	Ride sharing.....	330,700
4	Van pooling.....	145,000
5	Bus property management.....	125,000
6	Service development and new technology.....	1,675,000
7	Planning grants.....	150,000
8	Audit settlements.....	200,000
9	Region service coordination.....	1,000,000
10	Work first initiative.....	<u>3,979,200</u>
11	GROSS APPROPRIATION.....	\$ 42,605,000
12	Appropriated from:	
13	Federal revenues:	
14	DOT, federal transit act.....	18,600,000
15	Special revenue funds:	
16	Local funds.....	150,000
17	Comprehensive transportation fund.....	23,855,000
18	State general fund/general purpose.....	\$ 0

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PART 2

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PROVISIONS CONCERNING APPROPRIATIONS

23 GENERAL SECTIONS

24 Sec. 201. (1) Pursuant to section 30 of article IX of the state
25 constitution of 1963, total state spending from state sources for fiscal
26 year 1999-2000 is estimated at \$1,985,300,200.00 and state sources paid
27 to local units of government for fiscal year 1999-2000 are estimated at

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999

13

1 \$1,102,182,700.00. The itemized list below identifies appropriations
2 from which spending to units of local government will occur:

3 DEPARTMENT OF TRANSPORTATION

4	Local grant program.....	\$	33,000,000
5	Economic development fund.....		20,669,400
6	Grants to cities and villages.....		311,288,600
7	Grants to county road commissions.....		558,320,300
8	Critical bridge program.....		5,250,000
9	Grants to regional planning councils.....		488,800
10	Local bus operating.....		153,576,300
11	Bus capital.....		12,000,000
12	Marine passenger service.....		1,100,000
13	Detroit/Wayne County port authority.....		408,500
14	Local ride sharing operating grants.....		330,700
15	Planning grants.....		150,000
16	Municipal credit program.....		2,000,000
17	Specialized services.....		<u>3,600,100</u>
18	Total payments to local units of government.....	\$	1,102,182,700

19 (2) If it appears to the principal executive officer of a department
20 or branch that state spending to local units of government will be less
21 than the amount that was projected to be expended under subsection (1),
22 the principal executive officer shall immediately give notice of the
23 approximate shortfall to the state budget director, the senate and house
24 appropriations committees, and the senate and house fiscal agencies.

25 Sec. 202. The expenditures and funding sources authorized under
26 this act are subject to the management and budget act, 1984 PA 431,
27 MCL 18.1101 to 18.1594.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

14

1 Sec. 203. As used in this act:

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

3 (b) "Department" means the department of transportation.

4 (c) "DOT" means the United States department of transportation.

5 (d) "DOT-FHWA" means DOT, federal highway administration.

6 (e) "DOT-FRA" means DOT, federal railroad administration.

7 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
8 administration, high-speed ground transportation.

9 (g) "DOT-NHTSA" means DOT, national highway traffic safety
10 administration.

11 (h) "EDF" means economic development fund.

12 (i) "FTE" means full-time equated.

13 (j) "IDG" means interdepartmental grant.

14 (k) "MDTR" means Michigan department of treasury.

15 (l) "MTF" means Michigan transportation fund.

16 (m) "RIF" means recreation improvement fund.

17 (n) "SAF" means state aeronautics fund.

18 (o) "SEDF" means state economic development fund.

19 (p) "STF" means state trunkline fund.

20 Sec. 204. (1) Beginning October 1, 1998, there is a hiring freeze
21 imposed on the state classified civil service. State departments and
22 agencies are prohibited from hiring any new full-time state classified
23 civil service employees or prohibited from filling any vacant state clas-
24 sified civil service positions. This hiring freeze does not apply to
25 internal transfers of classified employees from 1 position to another
26 within a department or to positions that are funded with 80% or more
27 federal or restricted funds.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

15

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

9 Sec. 205. The department of civil service shall bill departments
10 and agencies at the end of the first fiscal quarter for the 1% charges
11 authorized by section 5 of article XI of the state constitution of 1963.
12 Payments shall be made for the total amount of the billing by the end of
13 the second fiscal quarter.

14 Sec. 206. (1) In addition to the funds appropriated in part 1,
15 there is appropriated an amount not to exceed \$40,000,000.00 for federal
16 contingency funds. These funds are not available for expenditure until
17 they have been transferred to another line item in this act pursuant to
18 section 393(2) of the management and budget act, 1984 PA 431,
19 MCL 18.1393.

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

25 (3) In addition to the funds appropriated in part 1, there is appro-
26 priated an amount not to exceed \$1,000,000.00 for local contingency
27 funds. These funds are not available for expenditure until they have

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

16

1 been transferred to another line item in this act pursuant to section
2 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

8 Sec. 207. The departments and agencies receiving appropriations
9 under this act shall receive and retain copies of all reports funded from
10 appropriations in part 1.

11 **DEPARTMENTAL SECTIONS**

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

20 Sec. 302. The department shall prepare an official transportation
21 map that shall be distributed without charge. Each legislator shall
22 receive a quantity of maps as determined by the legislative council, but
23 each senator shall receive 3 times the number of maps of each
24 representative.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

17

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

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

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

18 Sec. 306. From the funds appropriated in part 1, the auditor gen-
19 eral shall conduct an audit of charges to transportation funds by state
20 departments. The auditor general shall prepare a detailed report, with
21 recommendations and conclusions, including a list of services charged to
22 transportation funds, the appropriateness of those charges, and the cost
23 allocation methodologies used in determining the level of funding, and
24 provide the report, upon request, to any member of the senate and house
25 of representatives and to the senate and house fiscal agencies by
26 January 15, 2000.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

18

1 Sec. 307. Before January 1 of each year, the department will
2 provide to the legislature a listing by county or by county road
3 commission of all highway construction projects for the fiscal year and a
4 list of expected projects for the ensuing fiscal year.

5 Sec. 308. Funds appropriated in part 1 shall not be used for the
6 purchase of foreign goods or services, or both, if competitively priced
7 American goods or services, or both, of comparable quality are
8 available. By May 1, 2000, the department shall submit a report to the
9 department of management and budget, the speaker and minority leader of
10 the house of representatives, the majority and minority leaders of the
11 senate, the chairpersons of the house and senate appropriations commit-
12 tees, and the house and senate fiscal agencies on efforts to comply with
13 this section.

14 Sec. 309. The department shall aggressively pursue compliance with
15 contract specifications for construction and maintenance of state
16 highways. The department shall identify contractors who fail to meet
17 minimum standards and will actively pursue remuneration efforts.
18 Collections shall be deposited into the appropriate fund accounts. As
19 part of its annual overview of the budget, the department shall report to
20 the house and senate appropriations subcommittees on transportation on
21 its activities under this section.

22 Sec. 311. The department shall continue its efforts to reduce
23 administrative costs and provide the maximum funding possible for con-
24 struction projects.

25 Sec. 313. To facilitate an informed and cooperative relationship
26 between the transportation commission and the legislature, the department
27 shall provide in a timely manner copies of the agenda and approved

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

19

1 minutes of monthly transportation commission meetings to the members of
2 the house and senate appropriations subcommittees on transportation, the
3 house and senate fiscal agencies, and the state budget director.

4 Sec. 314. The director shall take all reasonable steps to ensure
5 businesses in deprived and depressed communities compete for and perform
6 contracts to provide services or supplies, or both. The director shall
7 strongly encourage firms with which the department contracts to subcon-
8 tract with businesses in depressed and deprived communities for services
9 or supplies, or both.

10 Sec. 315. The department shall not use funds appropriated under
11 part 1 on behalf of a local governmental unit to pay the amount required
12 for that local governmental unit to participate in the federal advance
13 construct program.

14 Sec. 316. At the close of the fiscal year ending September 30,
15 2000, any unencumbered and unexpended balance in the state trunkline fund
16 shall remain in the state trunkline fund and shall be used for federal
17 aid road and bridge programs for projects contained in an annual state
18 transportation program approved by the legislature.

19 Sec. 317. (1) From funds appropriated in part 1, the department may
20 increase a state infrastructure bank program and grant or loan funds in
21 accordance with regulations of the state infrastructure bank program of
22 the United States department of transportation. The state infrastructure
23 bank is to be administered by the department for the purpose of providing
24 a revolving, self-sustaining resource for financing transportation infra-
25 structure projects.

26 (2) In addition to funds provided in subsection (1), money received
27 by the state as federal grants, repayment of state infrastructure bank

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

20

1 loans, or other reimbursement or revenue received by the state as a
2 result of projects funded by the program shall be deposited in the
3 revolving state infrastructure bank fund and shall be available for
4 transportation infrastructure projects. At the close of the fiscal year,
5 any funds remaining in the state infrastructure bank fund shall remain in
6 the fund and be carried forward into the succeeding fiscal year.

7 Sec. 318. From funds appropriated in part 1, money received by the
8 department in payment for advanced purchase right-of-way, either as a
9 result of project programming from federal, state, local, or private
10 sources, or from sale as excess property, will be restricted for the pur-
11 chase of other advanced purchase right-of-way. At the end of the fiscal
12 year, unexpended funds shall remain in the advanced purchase right-of-way
13 fund and shall be used for this purpose in the succeeding fiscal year.

14 Sec. 319. The department shall coordinate with the Michigan infor-
15 mation center on the development of right-of-way mapping books.

16 Sec. 320. The department shall conduct a study concerning the pro-
17 posed Petoskey area US-31 beltway project. The study shall include, if
18 necessary, the preparation of a supplement to any draft environmental
19 impact statement previously prepared. The study shall be based upon the
20 agreement reached in February 1998 between the department, Emmet County,
21 the townships of Bear Creek and Resort, and the city of Petoskey.

22 Sec. 321. (1) Funds appropriated in part 1 for the office of com-
23 mission audits shall not be expended until all authorized positions are
24 filled and the commission submits a written report to the house and
25 senate appropriations subcommittees on transportation and the house and
26 senate fiscal agencies providing the structure of the office, the
27 oversight of the office by the commission, and specific plans and the

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

21

1 date or dates for implementation of those plans for improvements in the
2 office.

3 (2) The chief administrative officer of the office shall be respon-
4 sible for the performance by the office of not less than 6 performance
5 audits in a fiscal year. The chief administrative officer shall provide
6 a report at the end of each calendar quarter to the house and senate
7 appropriations subcommittees on transportation and the house and senate
8 fiscal agencies on the status of the office, the hours spent on per-
9 formance audits, and the expected completion dates of audits in
10 progress. Copies of audits completed during the calendar quarter may be
11 included with the report.

12 Sec. 322. (1) For purposes of safety and brush control and for
13 maintaining health and safety under section 15b of 1951 PA 51, MCL
14 247.665b, road authorities shall mow the right-of-way of a public road in
15 accordance with the requirements prescribed in this section, subject to
16 the following:

17 (a) This section does not apply within the limits of a city or
18 village.

19 (b) This section is not mandatory with respect to public road
20 rights-of-way within designated federal aid urban boundaries.

21 (c) Property owners may mow public road rights-of-way immediately in
22 front of their residences, schools, or businesses.

23 (2) Mowing shall be 12 feet or to the leading edge of the ditch,
24 whichever is less, adjacent to both shoulders of the roadway to any
25 height at any time. The area between the ditch bottom and the back
26 slopes of the rights-of-way shall be protected from mowing between
27 September 1 and the following July 15 except as permitted in this

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

22

1 subsection. Spraying shall be limited to the control of noxious weeds
2 and brush within this area. From July 16 through August 31, mowing may
3 be through the entire right-of-way if needed, including through the ditch
4 bottom, while maintaining not less than 12 inches of grass height from
5 the back of the ditch to the back of the right-of-way and within the
6 median. Between July 16 and the following March 1, mechanical brush and
7 woody stem control may be completed to whatever height is needed to pro-
8 vide control and safety. Twenty-five percent of all roads shall be des-
9 ignated annually for brush control that includes mowing with follow-up
10 herbicide treatment during the next growing season.

11 (3) The mowing standards prescribed in this section shall apply to
12 all medians 70 feet wide or more. Medians 70 feet wide or more shall be
13 maintained as brush-free as possible and with a grass height of at least
14 12 inches. Twenty-five percent of the medians within a region shall be
15 annually designated for removal or spot spray treatment of unwanted brush
16 and trees. It is the intent of the legislature that the mowing standards
17 prescribed in this section apply to medians 50 or more feet wide 3 years
18 after the effective date of this section.

19 (4) All mowing of the back slope and wide median areas beyond the
20 12-foot width from the road edge shall be performed so as to ensure a
21 minimum of 12 inches of grass remains by September 1 each year, except in
22 those zones designated for brush control. Areas of brush within the
23 right-of-way shall be mowed back to prevent brush from becoming estab-
24 lished within the right-of-way. Brush or tree stumps shall be spot
25 treated with herbicide, as needed, for long-term control.

26 (5) A right-of-way may be mowed as necessary to maintain public
27 health and safety.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

23

1 (6) The road authority shall not provide compensation for any mowing
2 or spraying that does not comply with this section.

3 Sec. 323. The department shall work with the federal government
4 regarding the development of a 4-lane limited access highway connecting
5 south-central Michigan with Ohio.

6 Sec. 324. Of the funds appropriated in part 1 for road and bridge
7 programs, the department shall not allocate any funds for the restoration
8 or relocation of the Old North Park Street Bridge or any other section of
9 the stated bridge between Grand Rapids and Walker.

10 Sec. 325. The legislature recommends that the department adopt
11 standard English units of weight and measure on all road and bridge con-
12 struction, maintenance, and improvement projects.

13 Sec. 327. Sixty days before beginning any effort to privatize, the
14 department shall submit a complete project plan to the appropriate house
15 and senate appropriations subcommittees and the house and senate fiscal
16 agencies. The plan shall include the criteria under which the privatiza-
17 tion initiative will be evaluated. The evaluation shall be completed and
18 submitted to the appropriate house and senate appropriations subcommit-
19 tees and the house and senate fiscal agencies within 30 months.

20 Sec. 328. (1) The department shall provide to the senate and house
21 of representatives appropriations committees and the senate and house
22 fiscal agencies a monthly report on all personal service contracts
23 awarded without competitive bidding, pricing, or rate setting. The noti-
24 fication shall include all of the following:

25 (a) The total dollar amount of the contract.

26 (b) The duration of the contract.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

24

1 (c) The name of the vendor.

2 (d) The type of service to be provided.

3 (2) For personal service contracts of \$100,000.00 or more, the
4 department of management and budget shall provide a monthly report on all
5 of the following:

6 (a) The total dollar amount of the contract.

7 (b) The duration of the contract.

8 (c) The name of the vendor.

9 (d) The type of service to be provided.

10 (3) The department shall provide a monthly listing of all bid
11 requests or requests for proposals that were issued.

12 (4) The department of management and budget shall provide a monthly
13 summary listing of information that identifies any authorizations for
14 personal service contracts that are provided to the department of civil
15 service pursuant to delegated authority granted to the department related
16 to personal service contracts.

17 Sec. 329. The department shall work with local road agencies and
18 private rail carriers to provide a report to the legislature on or before
19 May 1, 2000 that describes the current status of the rail grade crossing
20 improvement program and efforts to comply with annual rail grade crossing
21 safety inspection orders.

22 Sec. 330. Funds appropriated in section 104 for state transporta-
23 tion commission per diem payments shall provide daily per diem payments
24 of \$100.00 to each of the 6 appointed members of the state transportation
25 commission for all scheduled public state transportation commission meet-
26 ings, with annual distributions of not more than \$1,200.00 to each
27 appointed member.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999

25

1 Sec. 331. All reports required in this act shall be made available
2 to the public primarily through Internet access, unless a printed version
3 is requested. The department shall provide electronic notification to
4 all legislative offices for specific reports requested by the
5 legislature.

Sec. 332. (1) The department shall implement the new federal regulations contained in 49 C.F.R. parts 23 and 26 pertaining to disadvantaged business enterprises by October 1, 1999.

(2) The department shall not set a disadvantaged business enterprise goal of more than 10% or do more than the minimum of any requirement established under 49 C.F.R. parts 23 and 26.

(3) The department shall immediately decertify all former disadvantaged business enterprises which do not meet new federal eligibility criteria contained in 49 C.F.R. parts 23 and 26.

6 **FEDERAL**

7 Sec. 401. When the department receives authorization from the fed-
8 eral government to commit transportation funds pursuant to federal appro-
9 priations, it shall present to the senate and house appropriations trans-
10 portation subcommittees and the senate and house fiscal agencies, the
11 federal amounts and categories authorized and the department's recommen-
12 dation for distribution of these funds. If a recommendation or recommen-
13 dations are not disapproved within 30 business days by either the senate
14 or house appropriations transportation subcommittees, then the recommen-
15 dation or recommendations shall be considered as approved. If either the
16 senate or house appropriations transportation subcommittee disapproves
17 the proposed distribution, then the senate and house appropriations
18 transportation subcommittees and the department shall hold a joint meet-
19 ing on the issue to arrive at a final distribution. If no agreement is
20 reached between the parties, the department's distribution shall stand.

21 Sec. 402. (1) Twenty-three to twenty-seven percent of the remaining
22 DOT-FHWA highway research, planning, and construction federal funds
23 appropriated in section 110 shall be allocated to programs administered
24 by local jurisdictions after deduction of the following:

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

26

1 (a) Funds that are specifically allocated at the federal level to
2 the state or local jurisdictions.

3 (b) Funds allocated by the department to the state and to local
4 jurisdictions through a competitive process.

5 (2) Federal aid excluded from the calculation of funding allocated
6 to programs administered by local jurisdictions in subsection (1)
7 includes, but is not limited to, congestion mitigation and air quality
8 funds, federal bridge funds, transportation enhancement funds, funds dis-
9 tributed at the discretion of the United States secretary of transporta-
10 tion, and congressionally designated funds.

11 (3) The funds shall be distributed to eligible local agencies for
12 transportation purposes in a manner consistent with state and federal
13 law.

14 (4) It is the intent of the legislature that federal aid to highways
15 allocated to local jurisdictions in subsection (1) be distributed in a
16 manner that produces a 25% average allocation of applicable funds to pro-
17 grams for local jurisdictions in each fiscal year through the fiscal year
18 ending September 30, 2005. The average allocation of applicable federal
19 aid to highway funds to programs for local jurisdictions shall be the
20 average of the amount distributed to local jurisdictions under subsection
21 (1) and similarly calculated distributions in each succeeding fiscal
22 year. Up to 30% of all federal aid bridge funds shall be allocated to
23 the critical bridge fund for the purpose of repairing or replacing
24 bridges in the local off-system categories and local on-system
25 categories.

26 (5) The allocation percentage described in subsection (1) shall be
27 adjusted to reflect any voluntary agreements made by the department with

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

27

1 local jurisdictions regarding the transfer of federal aid eligible
2 roadways or the state buyout of local federal aid.

3 Sec. 403. Before December 1 of each year, the department will pro-
4 vide to the house and senate fiscal agencies for use by the legislature a
5 report outlining state and local federal aid expenditures on road and
6 bridge projects for the previous fiscal year. Projects listed in the
7 report shall be sorted by county. For each project, the report shall
8 contain the following information:

9 (a) The project's job number and current phase.

10 (b) A clear description of the work being undertaken, including the
11 route being worked upon and its location.

12 (c) Total federal aid obligations to the project over its life.

13 (d) The amount of federal aid obligations for the current fiscal
14 year.

15 (e) Total federal aid expended on the project in the current fiscal
16 year to date.

17 (f) The date of the initial obligation of federal aid to the
18 project.

19 (g) The project's federal highway administration program code.

20 Sec. 404. The appropriation in part 1 for grants to regional plan-
21 ning councils shall not be distributed until the department submits a
22 report to the house and senate appropriations subcommittees on transpor-
23 tation and the house and senate fiscal agencies. The report shall
24 describe how the regional planning council grants were spent in the last
25 5 years and assess the regional councils' effectiveness during this
26 period.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

28

1 MICHIGAN TRANSPORTATION FUND

2 Sec. 501. The money received under the motor carrier act, 1933
3 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of
4 consumer and industry services or the department of state police, is
5 deposited in the Michigan transportation fund.

6 Sec. 502. The department of treasury shall perform audits and make
7 investigations of the disposition of all state funds received by county
8 road commissions or county boards of commissioners, as applicable, and
9 cities and villages for transportation purposes to determine compliance
10 with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675.
11 County road commissions or county boards of commissioners, as applicable,
12 and cities and villages shall make available to the department of trea-
13 sury the pertinent records for the audit.

14 Sec. 503. The department shall reimburse a city or township that
15 has received prior approval to eliminate or cut roadside weeds due to
16 negligence on the part of a county or private contractor in performing
17 its contractual obligations and shall deduct that amount from the funds
18 appropriated to the county or paid to the contractor involved.

19 Sec. 504. (1) The funds appropriated in part 1 for the economic
20 development programs shall not lapse at the end of the fiscal year but
21 shall carry forward each fiscal year for the purposes for which appropri-
22 ated in accordance with 1987 PA 231, MCL 247.901 to 247.913.

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

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

29

1 (3) The department of transportation economic development fund may
2 receive and expend federal, local, or private funds or restricted source
3 funds such as interest earnings for projects that are consistent with the
4 programmatic mission of the fund in addition to funds appropriated in
5 part 1.

6 (4) None of the funds statutorily dedicated to the transportation
7 economic development fund shall be diverted to other projects without the
8 notification and approval of the house and senate appropriations subcom-
9 mittees on transportation.

10 Sec. 505. (1) Funds from the Michigan transportation fund (MTF)
11 shall be distributed to the comprehensive transportation fund (CTF), the
12 economic development fund (EDF), the recreational improvement fund (RIF),
13 and the state trunkline fund (STF), in accordance with this act and part
14 711 (recreation improvement fund) of the natural resources and environ-
15 mental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may
16 only be used as specified in this act, 1951 PA 51, MCL 247.651 to
17 247.675, and part 711 (recreation improvement fund) of the natural
18 resources and environmental protection act, 1994 PA 451, MCL 324.71101 to
19 324.71108.

20 (2) The amounts appropriated and transferred to various state agen-
21 cies from part 1 shall be expended from the transportation funds pursuant
22 to annual contracts between the department and state agencies providing
23 tax and fee collection and other services applicable to transportation
24 funds. The contracts shall be executed prior to the transfer of these
25 funds. The contracts shall provide, but are not limited to, the follow-
26 ing data applicable to each state agency:

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

30

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

2 (b) Description of services financed with transportation funds.

3 (3) If the spending authorization accounts also are to be used for

4 financing other than transportation fund services, the contracts shall

5 include detailed cost allocation methods that are appropriate to the type

6 of services being provided and the activities financed and supporting

7 rationale for the portion of costs allocated to transportation funds.

8 (4) At the close of each fiscal year and before April 1, each state

9 agency shall submit a written report to the state budget director stating
10 by spending authorization account the amount of estimated funds con-

11 tracted with the department, the amount of funds expended, and the amount

12 of funds returned to the transportation funds. A copy of the report

13 shall be submitted to the auditor general and the report shall be subject

14 to audit by the auditor general.

15 (5) The department and the state agencies with which the department

16 contracts in the manner provided in subsection (2) shall work together to

17 explore methods of minimizing lapses or shortfalls in grants from trans-

18 portation funds.

19 (6) In addition to the reporting requirements in subsection (4), the

20 department of state shall submit a written report to the auditor general,

21 not later than May 30 of each year, stating by spending authorization

22 account the amount of funds contracted with the department of transporta-

23 tion that had been received during the first 6 months of the fiscal year,

24 the amount of funds expended during the first 6 months of the fiscal

25 year, a description of the services and costs that were financed by those

26 funds, and the rationale for the allocation of transportation funds for

27 those services and costs. The report shall be subject to audit by the

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

31

1 auditor general. A copy of the report shall be submitted to the
2 department of transportation, the house and senate appropriations subcom-
3 mittees on transportation, and the house and senate fiscal agencies. If
4 the report is not received by May 30 of each year, the auditor general
5 shall immediately notify the house and senate appropriations subcommit-
6 tees on transportation and the house and senate fiscal agencies in writ-
7 ing of the department of state's failure to submit the required report.

8 Sec. 506. Of the amount appropriated in part 1 from the Michigan
9 transportation fund to the department of state, \$186,600.00 represents
10 the additional cost of issuing specialized license plates for veterans
11 and national guard members, as included in 1989 PAs 16, 17, 18, and 19,
12 MCL 257.803i, 257.803j, 257.803k, and 257.803l. The department of state
13 shall prepare an annual report on the number of and the additional costs
14 associated with the veteran license plates to the department, the state
15 budget director, the house and senate fiscal agencies, and the chair-
16 persons of the house and senate appropriations subcommittees on
17 transportation. Any unspent funds based on these annual reports shall
18 lapse to the Michigan transportation fund and be distributed in accord-
19 ance with 1951 PA 51, MCL 247.651 to 247.675.

20 Sec. 507. (1) Of the amount appropriated in part 1 from the
21 Michigan transportation fund to the department of state, \$187,600.00 rep-
22 resents the additional cost of issuing generic license plates for non-
23 profit fraternal or public service organizations, as included in
24 section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

25 (2) The department of state shall prepare an annual report on the
26 number of, and the additional costs associated with, the generic license
27 plates to the department, the state budget director, the house and senate

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

32

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

3 (3) Any unspent funds based on these annual reports shall lapse to
4 the Michigan transportation fund to be distributed in accordance with
5 1951 PA 51, MCL 247.651 to 247.675.

6 Sec. 508. (1) Commemorative and specialty license plate fee revenue
7 collected by the department of state and deposited into the Michigan
8 transportation fund is authorized for expenditure by the department of
9 state up to the amount of revenue collected, but not to exceed
10 \$9,353,300.00, the amount appropriated to the department of state in part
11 1 to administer the commemorative and specialty license plate program
12 pursuant to section 225 of the Michigan vehicle code, 1949 PA 300,
13 MCL 257.225.

14 (2) Commemorative and specialty license plate fee revenue collected
15 by the department of state and deposited in the Michigan transportation
16 fund in addition to that appropriated in part 1 to the department of
17 state shall be available for other Michigan transportation fund-supported
18 programs.

19 Sec. 509. (1) Each county road commission shall prepare, and
20 present to the department, a map illustrating the all-season county road
21 network under its jurisdiction. The county road commissions shall record
22 this information on an official county highway map provided to them by
23 the department. The department shall provide each county road commission
24 with 3 official copies of their county road highway map on or before
25 October 1, 1999.

26 (2) After compiling this information for all Michigan counties, the
27 department shall prepare a report on the current all-season road network

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

33

1 within the state. This report shall illustrate the current all-season
2 road network under state and county control, identify contiguity gaps in
3 this network, and suggest ways to improve connectivity on the current
4 all-season network. This report shall be presented to the house and
5 senate appropriations subcommittees on transportation and house and
6 senate fiscal agencies on or before May 1, 2000.

7 **STATE TRUNKLINE FUND**

8 Sec. 601. The department shall give funding priority for the funds
9 appropriated in part 1 for state trunkline federal aid and road and
10 bridge construction to projects for which funding has already been pro-
11 grammed and appropriate planning has been conducted.

12 Sec. 602. Of the amount of state funds appropriated for road and
13 bridge projects under this act, the department, counties, and cities and
14 villages shall, whenever possible, secure warranties for contracted con-
15 struction work.

16 Sec. 603. From the amounts appropriated in part 1 for forest roads
17 from the transportation economic development fund in the fiscal year
18 ending September 30, 2000, \$40,000.00 shall be used for the purpose of
19 maintaining 2, of the proposed 10, truck inspection stations. During
20 this demonstration, the department shall work directly with the
21 timberman's association to educate truck drivers on the use of the sta-
22 tions, as well as evaluate the stations' effectiveness.

23 Sec. 604. From the amount appropriated in section 110 for road and
24 bridge programs, the department shall include the following projects:

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999

34

1 (a) The extension of the current passing lane on US-223 in Lenawee
2 County from Rome Road to the city of Adrian.

3 (b) The construction of a passing lane on US-223 between the city
4 limits of Palmyra and the city limits of Blissfield.

5 Sec. 605. The department shall undertake a study of traffic pat-
6 terns on I-94 in Washtenaw, Jackson, Calhoun, Kalamazoo, Van Buren, and
7 Berrien Counties, and on I-69 in St. Clair, Lapeer, Genesee, Shiawassee,
8 Clinton, Ingham, Eaton, Calhoun, and Branch Counties. The department
9 shall provide a copy of this report to the members of the house and
10 senate appropriations subcommittees on transportation and the house and
11 senate fiscal agencies on or before September 30, 2000. This report
12 shall make specific recommendations regarding the expansion of bridges
13 and overpasses on I-94 and I-69 to accommodate future transportation
14 needs.

15 Sec. 606. If the department uses manufactured pipe for road con-
16 struction drainage, the department shall require that the pipe used meet
17 the standards established by the American Society for Testing and
18 Materials (ASTM). The department shall also inspect the pipe pursuant
19 to state standards before the laying of concrete or bituminous paving
20 materials. The department shall provide a quarterly summary of the
21 results of these inspections to the house and senate appropriations
subcommittees on transportation and house and senate fiscal agencies.

22 Sec. 609. The appropriation in section 110 for road and bridge con-
23 struction, for the AAA intersection improvement program, a public/private
24 partnership, may be used for the purpose of matching private and local
25 funds for improvements at intersections intended to reduce the number and
26 severity of vehicle accidents at high accident locations.

27 Sec. 610. From the funds appropriated in section 110 for road and
bridge construction, the department shall begin the construction process,

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

35

1 which may include traffic studies, preliminary engineering, right-of-way
2 acquisition, and construction, of a full interchange at exit 150 on I-96
3 in Livingston county at Pleasant Valley road.

4 Sec. 612. A department employee shall not be authorized to use a
5 credit card issued to the department after October 1, 1999.

6 **COMPREHENSIVE TRANSPORTATION FUND**

7 Sec. 701. Money that is returned to the state as repayment for a
8 loan for intercity bus equipment is not money to be deposited in the com-
9 prehensive transportation fund under section 10b of 1951 PA 51,
10 MCL 247.660b, but is money that is deposited in an intercity bus equip-
11 ment fund for appropriation for the purchase and repair of intercity bus
12 equipment. Proceeds received by the state from the sale of intercity bus
13 equipment are deposited in an intercity bus equipment fund for appropria-
14 tion for the purchase and repair of intercity bus equipment. Security
15 deposits from the lease of state-owned intercity bus equipment not
16 returned to the lessee of the equipment under terms of the lease agree-
17 ment are deposited in an intercity bus equipment fund for appropriation
18 for the repair of intercity bus equipment.

19 Sec. 702. Money that is received by the state as repayment for
20 loans made for rail or water freight capital projects, and as a result of
21 the sale of property or equipment used or projected to be used for rail
22 or water freight projects shall be deposited in the fund created by sec-
23 tion 17 of the state transportation preservation act of 1976, 1976
24 PA 295, MCL 474.67.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

36

1 Sec. 703. Entities that operate railroads and receive
2 appropriations under part 1 shall expend those appropriations for goods
3 and services of manufacturers, suppliers, and service companies located
4 in this state, whenever practicable, if the goods and services are com-
5 parably priced and reasonably available.

6 Sec. 705. (1) The departments of community health and transporta-
7 tion, the office of services to the aging within the department of commu-
8 nity health, and the family independence agency shall develop a system to
9 identify and collect the following information annually for each county:

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

14 (b) Population groups that utilize transportation services by a per-
15 centage of the total number of persons who utilize the services.

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

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

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

23 (2) The information specified in subsection (1) shall be submitted
24 to the department of transportation. The department of transportation
25 shall compile and report the information it has collected and received on
26 or before December 31 of the immediately succeeding state fiscal year to

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

37

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

3 (3) The report specified in subsection (2) shall include, but not be
4 limited to, all of the following:

5 (a) Current efforts to coordinate or consolidate transportation
6 services provided by human service agencies.

7 (b) Areas where coordination or consolidation of transportation
8 services will produce cost savings.

9 (c) Legislation needed to facilitate the coordination and consolida-
10 tion of transportation services.

11 (d) Steps to implement policy to more efficiently coordinate and
12 consolidate transportation services.

13 (e) The use of the amount appropriated in part 1 to regional service
14 coordination.

15 Sec. 706. The department shall submit a report to both the house
16 and senate appropriations subcommittees on transportation and the house
17 and senate fiscal agencies by March 1 of each year outlining its efforts
18 to develop a high-speed rail program as well as efforts to obtain funding
19 for this purpose.

20 Sec. 707. (1) From the funds appropriated in part 1, the department
21 of transportation shall allocate sufficient comprehensive transportation
22 fund revenue to continue 7-day rail passenger service on the Pere
23 Marquette and the International lines.

24 (2) The department shall work with Amtrak and local interests on
25 increasing marketing efforts to promote awareness of rail passenger serv-
26 ice and to increase ridership. The department shall also work with
27 Amtrak to reduce the operating cost and to maximize the revenue of its

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

38

1 rail passenger lines in Michigan including, but not limited to,
2 privatization of food services aboard the train and selling of advertis-
3 ing space aboard the train. The department shall submit a report to both
4 the house and senate appropriations subcommittees on transportation and
5 the house and senate fiscal agencies by January 1, 1999 that provides a
6 5-year history on services and ridership, as well as a 5-year plan for
7 these services.

8 Sec. 708. (1) The following rail lines are designated as an essen-
9 tial corridor in Michigan and shall receive priority in matters concern-
10 ing operation, maintenance, and rehabilitation:

11 ANN ARBOR RAILROAD SYSTEM:

12 Toledo to north of Ann Arbor (Osmer).

13 Pittsfield Junction to Saline.

14 STATE OF MICHIGAN OWNED RAIL LINES (ACTIVE):

15 North of Ann Arbor (Osmer) to Durand, Durand to Owosso via Central
16 Michigan Railway trackage rights, and then Owosso to Ashley to Cadillac
17 to Harlan.

18 (Tuscola and Saginaw Bay Railway)

19 Owosso north to St. Charles. (TSB)

20 Cadillac north to Petoskey via Walton Junction. (TSB)

21 Walton Junction to Traverse City. (TSB)

22 Grawn via Traverse City to Williamsburg. (TSB)

23 (Huron and Eastern Railway)

24 Millington to Vassar to Munger. (HERC)

25 Vassar to Caro to Colling. (HERC)

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

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

39

- 1 (Indiana Northeastern Railroad)
2 Hillsdale to Indiana State Line via Reading.
3 Hillsdale to east of Quincy via Jonesville. (INRC)
4 Jonesville to Litchfield. (INRC)
5 Linwood to Sallings via West Branch and Grayling. (Lake State
6 Railway)
7 Riga to west of Adrian. (Adrian and Blissfield Railroad)
8 Grosvenor to River Raisin. (A&B)
9 TUSCOLA AND SAGINAW BAY RAILWAY:
10 Middleton to Ashley.
11 HURON AND EASTERN RAILWAY:
12 Denmark Junction to Harger (Saginaw).
13 Saginaw to Bad Axe.
14 Bad Axe to Kinde.
15 Bad Axe to Croswell.
16 Palms to Harbor Beach.
17 Poland to Sandusky.
18 Saginaw to Brown City.
19 NORFOLK SOUTHERN RAILWAY COMPANY:
20 Detroit to Ohio State Line via Milan.
21 CSX TRANSPORTATION:
22 Ohio State Line to Saginaw via Plymouth and Flint.
23 Detroit to Grand Rapids via Plymouth and Lansing.
24 Grand Rapids to Indiana State Line via Holland and St. Joseph.
25 Holland to Montague via Muskegon.
26 Holland to Hamilton.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

40

- 1 Berry to Fremont.
- 2 Saginaw to Midland.
- 3 Saginaw to Bay City to Essexville.
- 4 Grand Rapids to Baldwin via Newaygo.
- 5 Baldwin to Ludington via Walhalla.
- 6 Walhalla to Manistee/Filer City.
- 7 Port Huron to Marine City.
- 8 MID-MICHIGAN RAILROAD:
- 9 Paines to Elwell via Alma.
- 10 Elmdale to Greenville.
- 11 COE RAIL, INC.:
- 12 Wixom to east of Walled Lake.
- 13 GRAND TRUNK WESTERN RAILROAD (CN NORTH AMERICA):
- 14 Port Huron to Indiana State Line via Flint, Durand, Lansing, Battle
- 15 Creek, and Cassopolis.
- 16 Durand to Detroit via Pontiac.
- 17 Dearborn to Flat Rock.
- 18 Port Huron to Detroit.
- 19 Richmond to Pontiac.
- 20 Pontiac to Lake Orion.
- 21 Detroit to Ohio State Line via Monroe.
- 22 Pavilion to Kalamazoo.
- 23 INDIANA AND OHIO RAILWAY COMPANY (RAIL TEX):
- 24 Flat Rock to Ohio State Line via Dundee.
- 25 WISCONSIN CENTRAL LIMITED:
- 26 Canadian International Boundary at Sault Ste. Marie to Wisconsin
- 27 State Line via Trout Lake and Gladstone.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

41

- 1 Trout Lake to Baraga via Munising Junction and Marquette.
- 2 Munising to Munising Junction.
- 3 Baraga to Arnheim.
- 4 White Pine to Wisconsin State Line via Bergland.
- 5 SAULT STE. MARIE BRIDGE COMPANY:
- 6 Wisconsin State Line at Menominee to Escanaba via Powers.
- 7 Powers to Iron Mountain (Antoine).
- 8 Quinnesec to Wisconsin State Line.
- 9 Escanaba to Ishpeming.
- 10 ESCANABA AND LAKE SUPERIOR RAILROAD:
- 11 At Escanaba.
- 12 Channing to Republic.
- 13 Iron Mountain to Wisconsin State Line.
- 14 At Menominee.
- 15 LAKE SUPERIOR AND ISHPERING RAILROAD:
- 16 Marquette to Republic Mine via Eagle Mills and Ishpeming.
- 17 Eagle Mills to Tilden Mine.
- 18 LAKE STATE RAILWAY:
- 19 Bay City to Linwood.
- 20 Pinconning to Hawks via Tawas City and Alpena.
- 21 Alabaster Junction to Alabaster.
- 22 Alpena to Paxton.
- 23 Posen to Rogers City.
- 24 Sallings to Gaylord.
- 25 CENTRAL MICHIGAN RAILWAY:
- 26 Bay City to Midland.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999

42

- 1 Saginaw to Paines.
- 2 NORFOLK SOUTHERN CORPORATION:
- 3 Detroit to Ohio state line via Milan.
- 4 Dearborn (CP Townline) to Kalamazoo via Jackson and Battle Creek.
- 5 Jackson to Lansing.
- 6 Trenton to Toledo.
- 7 Jackson to Ackerson Lake.
- 8 Ottawa Lake to Ohio state line.
- 9 Grand Rapids to Indiana State Line via Kalamazoo.
- 10 White Pigeon to White Pigeon junction.
- 11 Kalamazoo to Portage.
- 12 Plainwell to Otsego.
- 13 Grand Rapids to Kentwood.
- 14 CONSOLIDATED RAIL CORPORATION (JOINTLY OWNED BY NORFOLK SOUTHERN AND
CSX)
Detroit to Trenton.
Detroit to Carleton.
Detroit to Utica.
Detroit to Dearborn (CP Townline).
- 15 NATIONAL RAILROAD PASSENGER CORPORATION:
- 16 Kalamazoo to Indiana State Line via Niles.
- 17 CANADIAN NATIONAL RAILWAYS:
- 18 Detroit River Tunnel.
- 19 St. Clair River Tunnel.
- 20 DELRAY CONNECTING RAILROAD:
- 21 At Detroit.
- 22 WEST MICHIGAN RAILWAY:
- 23 Hartford to Paw Paw.
- 24 BRANCH AND ST. JOSEPH COUNTIES RAIL USERS ASSOCIATION:
- 25 Sturgis to east of Quincy.
- 26 MICHIGAN SHORE RAILROAD:

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

43

1 At Muskegon.

2 IRON CLIFFS RAILWAY COMPANY:

3 At Ishpeming.

4 (2) Any changes to the essential corridor list in subsection (1),
5 including sales of state-owned rights-of-way not specifically authorized
6 for sale in another public act, shall be approved by the house and senate
7 appropriations subcommittees on transportation.

8 (3) After receiving notification from a railroad company pursuant to
9 section 8 of the state transportation preservation act of 1976, 1976
10 PA 295, MCL 474.58, the department shall immediately notify the house and
11 senate appropriations subcommittees on transportation that the railroad
12 company has filed with the appropriate governmental agencies for abandon-
13 ment of a line.

14 Sec. 709. (1) The appropriation in part 1 for van pooling shall be
15 administered by the department through grants to eligible authorities and
16 eligible governmental agencies to insure coordination between van and car
17 pooling programs and the transit systems operated by the eligible author-
18 ities and eligible governmental agencies. The appropriation shall not be
19 distributed until the department submits a report to the house and senate
20 appropriations subcommittees on transportation and the house and senate
21 fiscal agencies. The report shall describe how the appropriations for
22 this program were expended in the last 5 years and assess the program's
23 effectiveness during this period.

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

26 Sec. 710. From the funds appropriated in part 1, \$2,000,000.00 is
27 allocated for the rail infrastructure loan program. The program shall

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

44

1 provide noninterest bearing loans for rail infrastructure improvements.
2 The department shall evaluate loan applications according to the relative
3 merit of the project in conjunction with program goals. The transporta-
4 tion commission shall approve the loans. The loans shall fund not less
5 than 90% of the rail portion of project costs, and the loan repayment
6 period shall not exceed 10 years. Local governments, railroads, and cur-
7 rent or potential users of freight railroad services are eligible
8 applicants. At the end of the fiscal year, unexpended funds shall remain
9 in the rail infrastructure loan program and shall be available to be
10 allocated for the purposes of the program in the succeeding fiscal year.
11 Money that is received by this state as repayment for rail infrastructure
12 loans made pursuant to this program shall remain within the rail infra-
13 structure loan program and shall be allocated for the purposes of the
14 program. The state's total contribution to the rail infrastructure loan
15 program shall not exceed \$15,000,000.00.

16 Sec. 711. In addition to the \$3,979,200.00 appropriated in part 1
17 for the work first initiative, the department shall maintain current
18 funding support for this initiative.

19 Sec. 712. The Detroit/Wayne County port authority shall issue a
20 complete operations assessment and a financial disclosure statement. The
21 operations assessment shall include operational goals for the next 5
22 years and recommendations to improve land acquisition and development
23 efficiency. It is not the intent of the legislature that the authority
24 be granted the power of condemnation of private property. The report
25 shall be completed and submitted to the house and senate appropriations
26 subcommittees on transportation and the house and senate fiscal agencies
27 by December 15, 1999.

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

45

1 Sec. 714. For the fiscal year ending September 30, 2000, each
2 eligible authority and each eligible governmental agency which provides
3 public transportation services in urbanized areas with a Michigan popula-
4 tion of less than or equal to 100,000 and nonurbanized areas under
5 section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall
6 receive a grant of up to 60% of its eligible operating expenses. Each
7 eligible authority and each eligible government agency which provides
8 public transportation services in urbanized areas with a Michigan popula-
9 tion of greater than 100,000 under section 5311 of title 49 of the United
10 States Code, 49 U.S.C. 5311, shall receive a grant of up to 50% of its
11 eligible operating expenses.

12 Sec. 716. The appropriation in part 1 for ride sharing shall not be
13 distributed until the department submits a report to the house and senate
14 appropriations subcommittees on transportation and the house and senate
15 fiscal agencies. The report shall describe how the appropriations for
16 this program have been spent in the last 5 years and assess the program's
17 effectiveness during this period. The appropriation shall be held in
18 escrow until the report is submitted.

19 Sec. 720. The appropriation in part 1 for regional service coordi-
20 nation shall not be distributed until the department submits a report to
21 the house and senate appropriations subcommittees on transportation and
22 the house and senate fiscal agencies. The report shall describe how the
23 appropriations for this program have been spent in the last 2 years and
24 assess the program's effectiveness during this period.

25 Sec. 722. If funds appropriated in section 116 are used to provide
26 state-owned or state-leased buses to private intercity bus carriers, the

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

46

1 department shall charge not less than \$1,000.00 per bus per year for
2 their use.

3 Sec. 723. (1) The following bus routes are designated as an essen-
4 tial corridor in Michigan:

5 UPPER PENINSULA-SUPERIOR TRANSPORTATION

6 Between St. Ignace and

7 Escanaba US-2

8 Between Escanaba and

9 Duluth US-2 through Ironwood to the
10 state line

11 Between Calumet and

12 Escanaba US-41

13 Between Escanaba and

14 Milwaukee US-41 through Menominee to the
15 state line

16 Between St. Ignace and

17 Sault Ste. Marie I-75

18

19 GREYHOUND

20 Between Detroit and

21 Chicago I-94 from Detroit to the state
22 line

23 Between Detroit and

24 Muskegon I-96

25 Between Grand Rapids,

26 Holland, and Benton

27 Harbor I-196 to I-94

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

47

1	Between Muskegon and	
2	Grand Rapids	US-31, I-96
3	Between Detroit and Bay	
4	City	I-75
5	Between Bay City and	
6	Mount Pleasant	US-10, M-20
7	Between Jackson and	
8	Traverse City	US-127, US-27, I-75, Grayling,
9		Gaylord, M-72 to Traverse City
10	Between Jackson and	
11	Indianapolis	I-69, I-94 to the state line
12		through Albion, Marshall, and
13		Coldwater
14	Between Houghton Lake	
15	and Cadillac	M-55 and M-66
16	Between Detroit and	
17	Toledo	I-75 to the state line
18	Between the Indiana	
19	state line and	
20	Traverse City	US-31 and I-196
21	Between Detroit and Port	
22	Huron	I-375 and I-94
23	Between Toledo and Bay	
24	City	US-23, I-75, and I-675, I-75
25		
26	<u>INDIAN TRAILS</u>	

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

48

1 Between Bay City and
2 Chicago I-75, Flint, I-69, I-94, Battle
3 Creek, I-94 to the state line
4 Between Flint and
5 Lansing I-69, M-21, Owosso, M-52, I-69
6 Between Bay City and
7 St. Ignace I-75, US-23
8 Between Grand Rapids and
9 St. Ignace US-131, Cadillac, M-115, Mesick,
10 M-37 to Traverse City, US-31,
11 Acme, M-72, Kalkaska, US-131,
12 Boyne Falls, M-75, Walloon
13 Lake, US-131, Petoskey, US-31,
14 I-75, St. Ignace
15 Between Kalamazoo and
16 Grand Rapids US-131
17 (2) Any changes to the essential corridor list in subsection (1)
18 shall be approved by the house and senate appropriations subcommittees on
19 transportation.
20 (3) No entity shall receive operating assistance for a scheduled
21 regular route service which is competing with another private or public
22 carrier over the same route.
23 Sec. 724. It is the intent of the legislature that, whenever possi-
24 ble, the department work with the local transit agencies to avoid estab-
25 lishing new routes that duplicate existing routes served by intercity
26 carriers when providing services under regional transportation service
27 programs. It is preferable that private intercity carriers be provided

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372 as amended March 24, 1999

49

1 an opportunity to bid by local public transit agencies on services funded
2 through the regional transportation service program.

3 Sec. 725. The department or the state transportation commission
4 shall not require any collateral or personal guarantees to qualify for a
5 loan under the rail infrastructure loan program. However, the department
6 or the state transportation commission shall review all outstanding loans
7 issued under the rail infrastructure loan program every 90 days to deter-
8 mine the current status of the loan and verify the continuing eligibility
9 and operations of loan recipients. The department shall prepare an
10 annual report on the status of all outstanding loans issued under this
11 program and present this report to the house and senate appropriations
12 subcommittees on transportation and house and senate fiscal agencies on
13 or before May 1, 2000.

 Sec. 726. No later than December 31, 1999 the department shall
complete a financial analysis of the intercity bus equipment program to
determine the financial status of current and proposed essential bus
corridor routes outlined in Section 723 of this bill.

14 **AERONAUTICS FUND**

15 Sec. 801. At the close of the fiscal year ending September 30,
16 1999, any unobligated and unexpended balance in the state aeronautics
17 fund created in the aeronautics code of the state of Michigan, 1945
18 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
19 and be appropriated by the legislature in the immediately succeeding
20 fiscal year.

21 Sec. 803. The appropriation in part 1 from the state aeronautics
22 fund for transportation planning administration shall not be distributed
23 until the department submits a report to the house and senate appropria-
24 tions subcommittees on transportation and the house and senate fiscal
25 agencies. The report shall describe how the appropriations for

SB 372, As Passed Senate, March 25, 1999

Senate Bill No. 372

50

1 aeronautics planning have been spent in the last 5 years, and assess the
2 current and future levels of funding needed for this purpose.

3 Sec. 804. The department shall develop plans to centralize the
4 maintenance, scheduling, use, and coordination of all state-owned air-
5 craft, including those operated by the departments of transportation,
6 state police, and natural resources, and noncombat aircraft operated by
7 the department of military affairs. These plans shall be presented to
8 the house and senate appropriations subcommittees on transportation and
9 house and senate fiscal agencies on or before September 30, 2000.