

**SENATE BILL NO. 372**

**EXECUTIVE BUDGET BILL**

February 23, 1999, Introduced by Senators HOFFMAN, MC MANUS,  
STEIL, GOUGEON and GOSCHKA and referred to the Committee on  
Appropriations.

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 and bus 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:**

1

**PART 1**

2

**LINE-ITEM APPROPRIATIONS**

3

Sec. 101. Subject to the conditions set forth in this bill, the

1 amounts listed in this part are appropriated for the state  
2 transportation department and certain state purposes designated in this  
3 bill for the fiscal year ending September 30, 2000, from the funds  
4 indicated in this part. The following is a summary of the  
5 appropriations in this part:

6 **DEPARTMENT OF TRANSPORTATION**

7 APPROPRIATION SUMMARY:

8	Full-time equated unclassified positions . . . . .	6.0	
9	Full-time equated classified positions . . . . .	3,176.3	
10	GROSS APPROPRIATION . . . . .		\$ 2,810,730,900
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and		
13	intradepartmental transfers . . . . .		10,459,500
14	ADJUSTED GROSS APPROPRIATION . . . . .		\$ 2,800,271,400
15	Federal revenues:		
16	Total federal revenues . . . . .		831,671,000
17	Special revenue funds:		
18	Total local revenues . . . . .		5,300,000
19	Total private revenues . . . . .		0
20	Total other state restricted revenues . . . . .		1,963,300,400
21	State general fund/general purpose . . . . .		\$ 0
22	<b>Sec. 102. DEBT SERVICE</b>		
23	State trunkline . . . . .		\$ 35,904,600
24	Trunkline bonds, series 1989A-EDF (\$100,000,000) . . . . .		6,608,300
25	Critical bridge . . . . .		3,000,000
26	Blue water bridge . . . . .		2,311,900
27	Comprehensive transportation . . . . .		<u>21,209,300</u>
28	GROSS APPROPRIATION . . . . .		\$ 69,034,100
29	Appropriated from:		
30	Special revenue funds:		
31	Blue water bridge fund . . . . .		2,311,900

1	Comprehensive transportation fund . . . . .	21,209,300
2	Michigan transportation fund . . . . .	9,608,300
3	State trunkline fund . . . . .	35,904,600
4	State general fund/general purpose . . . . .	\$ 0
5	<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>	
6	MICHIGAN TRANSPORTATION FUND (MTF)	
7	MTF grant to department of environmental quality . . . . .	\$ 813,000
8	MTF grant to department of state . . . . .	56,830,800
9	MTF grant to legislative auditor general . . . . .	101,800
10	MTF grant to department of attorney general . . . . .	2,475,200
11	STATE TRUNKLINE FUND (STF)	
12	STF grant to department of civil service . . . . .	1,320,000
13	STF grant to department of management and budget . . . . .	768,100
14	STF grant to department of natural resources . . . . .	37,500
15	STF grant to department of state police . . . . .	6,305,700
16	STF grant to department of treasury . . . . .	24,300
17	STF grant to legislative auditor general . . . . .	381,100
18	STATE AERONAUTICS FUND (SAF)	
19	SAF grant to department of attorney general . . . . .	114,900
20	SAF grant to department of civil service . . . . .	50,000
21	SAF grant to department of management and budget . . . . .	18,200
22	SAF grant to department of treasury . . . . .	61,500
23	SAF grant to legislative auditor general . . . . .	15,400
24	COMPREHENSIVE TRANSPORTATION FUND (CTF)	
25	CTF grant to department of civil service . . . . .	95,000
26	CTF grant to department of management and budget . . . . .	38,600
27	CTF grant to department of treasury . . . . .	8,900
28	CTF grant to legislative auditor general . . . . .	<u>38,900</u>
29	GROSS APPROPRIATION . . . . .	\$ 69,498,900
30	Appropriated from:	
31	Special revenue funds:	
32	Comprehensive transportation fund . . . . .	181,400

1	Michigan transportation fund . . . . .	60,220,800
2	State aeronautics fund . . . . .	260,000
3	State trunkline fund . . . . .	8,836,700
4	State general fund/general purpose . . . . . \$	0
5	<b>Sec. 104. EXECUTIVE DIRECTION</b>	
6	Full-time equated unclassified positions . . . . 6.0	
7	Full-time equated classified positions . . . . 33.3	
8	Unclassified salaries . . . . . \$	483,700
9	Commission audit--33.3 FTE positions . . . . .	<u>2,911,900</u>
10	GROSS APPROPRIATION . . . . . \$	3,395,600
11	Appropriated from:	
12	Special revenue funds:	
13	State trunkline fund . . . . .	3,395,600
14	State general fund/general purpose . . . . . \$	0
15	<b>Sec. 105. ADMINISTRATIVE SERVICES</b>	
16	Full-time equated classified positions . . . . 138.7	
17	Administration and data center--103.7 FTE positions \$	31,190,500
18	Building occupancy charges - property management .	4,582,400
19	Human resources--30.0 FTE positions . . . . .	2,402,200
20	Economic development administration--5.0	
21	FTE positions . . . . .	407,800
22	Rent . . . . .	1,940,000
23	Worker's compensation . . . . .	<u>2,528,600</u>
24	GROSS APPROPRIATION . . . . . \$	43,051,500
25	Appropriated from:	
26	Federal revenues:	
27	DOT-FHWA, highway research, planning, and	
28	construction . . . . .	1,000,000
29	Special revenue funds:	
30	Comprehensive transportation fund . . . . .	1,086,200
31	Michigan transportation fund . . . . .	435,600

1	State aeronautics fund . . . . .	631,900
2	State trunkline fund . . . . .	39,897,800
3	State general fund/general purpose . . . . .	\$ 0
4	<b>Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION</b>	
5	Full-time equated classified positions . . . . .	255.5
6	Administration--255.5 FTE positions . . . . .	\$ <u>20,355,500</u>
7	GROSS APPROPRIATION . . . . .	\$ 20,355,500
8	Appropriated from:	
9	Special revenue funds:	
10	Michigan transportation fund . . . . .	1,048,100
11	State trunkline fund . . . . .	19,307,400
12	State general fund/general purpose . . . . .	\$ 0
13	<b>Sec. 107. BUREAU OF TRANSPORTATION PLANNING</b>	
14	Full-time equated classified positions . . . . .	185.1
15	Administration--185.1 FTE positions . . . . .	\$ 20,674,700
16	Grants to regional planning councils . . . . .	<u>488,800</u>
17	GROSS APPROPRIATION . . . . .	\$ 21,163,500
18	Appropriated from:	
19	Federal revenues:	
20	DOT-FHWA, highway research, planning, and	
21	construction . . . . .	11,041,000
22	Special revenue funds:	
23	Comprehensive transportation fund . . . . .	1,679,500
24	Michigan transportation fund . . . . .	5,755,200
25		
26	State aeronautics fund . . . . .	267,000
27	State trunkline fund . . . . .	2,420,800
28	State general fund/general purpose . . . . .	\$ 0
29	<b>Sec. 108. BUREAU OF HIGHWAYS</b>	
30	Full-time equated classified positions . . . . .	1,658.1
31	Engineering operations--826.3 FTE positions . . . . .	\$ 23,250,900

1	Maintenance operations--78.0 FTE positions . . . . .	6,904,700
2	Program services--753.8 FTE positions . . . . .	<u>35,431,100</u>
3	GROSS APPROPRIATION . . . . .	\$ 65,586,700
4	Appropriated from:	
5	Interdepartmental grants and intradepartmental	
6	transfers:	
7	IDT, intradepartmental charges . . . . .	207,500
8	Federal revenues:	
9	DOT-FHWA, highway research, planning, and	
10	construction . . . . .	3,035,000
11	Special revenue funds:	
12	Michigan transportation fund . . . . .	2,182,200
13	State trunkline fund . . . . .	60,162,000
14	State general fund/general purpose . . . . .	\$ 0
15	<b>Sec. 109. HIGHWAY MAINTENANCE</b>	
16	Full-time equated classified positions . . . . . 707.1	
17	State trunkline operations--707.1 FTE positions . . . . .	\$ <u>228,899,400</u>
18	GROSS APPROPRIATION . . . . .	\$ 228,899,400
19	Appropriated from:	
20	Interdepartmental grants and intradepartmental	
21	transfers:	
22	IDT, intradepartmental charges . . . . .	10,252,000
23	Special revenue funds:	
24	State trunkline fund . . . . .	218,647,400
25	State general fund/general purpose . . . . .	\$ 0
26	<b>Sec. 110. ROAD AND BRIDGE PROGRAMS</b>	
27	State trunkline federal aid and road and	
28	bridge construction . . . . .	\$ 898,203,700
29	Local federal aid and road and bridge	
30	construction . . . . .	195,827,000
31	Grants to local programs . . . . .	33,000,000

1	Rail grade crossing . . . . .	3,000,000
2	Critical bridge program . . . . .	5,250,000
3	County road commissions . . . . .	558,320,300
4	Cities and villages . . . . .	<u>311,288,600</u>
5	GROSS APPROPRIATION . . . . .	\$ 2,004,889,600
6	Appropriated from:	
7	Federal revenues:	
8	DOT-FHWA, highway research, planning, and	
9	construction . . . . .	785,449,000
10	Special revenue funds:	
11	Local funds . . . . .	5,000,000
12	Michigan transportation fund . . . . .	910,608,900
13	State trunkline fund . . . . .	303,831,700
14	State general fund/general purpose . . . . .	\$ 0
15	<b>Sec. 111. BLUE WATER BRIDGE</b>	
16	Full-time equated classified positions . . . . .	33.0
17	Blue water bridge operations--33.0 FTE positions . . . . .	\$ <u>10,083,500</u>
18	GROSS APPROPRIATION . . . . .	\$ 10,083,500
19	Appropriated from:	
20	Special revenue funds:	
21	Blue water bridge fund . . . . .	10,083,500
22	State general fund/general purpose . . . . .	\$ 0
23	<b>Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>	
24	Forest roads . . . . .	\$ 5,040,000
25	Rural county urban system . . . . .	2,500,000
26	Target industries/economic redevelopment . . . . .	16,629,500
27	Urban county congestion . . . . .	6,564,700
28	Rural county primary . . . . .	<u>6,564,700</u>
29	GROSS APPROPRIATION . . . . .	\$ 37,298,900
30	Appropriated from:	
31	Special revenue funds:	

1	Michigan transportation fund . . . . .		33,298,900
2	State trunkline fund . . . . .		4,000,000
3	State general fund/general purpose . . . . .	\$	0
4	<b>Sec. 113. BUREAU OF AERONAUTICS</b>		
5	Full-time equated classified positions . . . . .	56.0	
6	Administration--56.0 FTE positions . . . . .	\$	6,732,100
7	Air service program . . . . .		<u>1,000,000</u>
8	GROSS APPROPRIATION . . . . .	\$	7,732,100
9	Appropriated from:		
10	Special revenue funds:		
11	State aeronautics fund . . . . .		7,732,100
12	State general fund/general purpose . . . . .	\$	0
13	<b>Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION</b>		
14	Full-time equated classified positions . . . . .	109.5	
15	Administration--109.5 FTE positions . . . . .	\$	<u>8,650,700</u>
16	GROSS APPROPRIATION . . . . .	\$	8,650,700
17	Appropriated from:		
18	Special revenue funds:		
19	Comprehensive transportation fund . . . . .		7,021,500
20	Michigan transportation fund . . . . .		1,629,200
21	State general fund/general purpose . . . . .	\$	0
22	<b>Sec. 115. BUS TRANSIT DIVISION; STATUTORY OPERATING</b>		
23	Local bus operating . . . . .	\$	144,575,400
24	Nonurban operating/capital . . . . .		<u>6,646,000</u>
25	GROSS APPROPRIATION . . . . .	\$	151,221,400
26	Appropriated from:		
27	Federal revenues:		
28	DOT, federal transit act . . . . .		6,546,000
29	Special revenue funds:		
30	Comprehensive transportation fund . . . . .		144,575,400
31	Local funds . . . . .		100,000

1	State general fund/general purpose . . . . .	\$	0
2	<b>Sec. 116. INTERCITY PASSENGER AND FREIGHT</b>		
3	Freight property management . . . . .	\$	2,000,000
4	Detroit/Wayne County port authority . . . . .		301,800
5	Intercity bus equipment . . . . .		2,824,500
6	Rail passenger service . . . . .		8,812,700
7	Freight preservation and development . . . . .		7,500,000
8	Rail infrastructure loan program . . . . .		2,000,000
9	Intercity bus service development . . . . .		2,025,500
10	Marine passenger service . . . . .		800,000
11	Terminal development . . . . .		<u>1,000,000</u>
12	GROSS APPROPRIATION . . . . .	\$	27,264,500
13	Appropriated from:		
14	Federal revenues:		
15	DOT, federal transit act . . . . .		1,000,000
16	DOT-FRA, local rail freight assistance . . . . .		2,000,000
17	DOT-FRA, rail passenger/HSGT . . . . .		3,000,000
18	Special revenue funds:		
19	Comprehensive transportation fund . . . . .		18,714,500
20	Intercity bus equipment fund . . . . .		500,000
21	Local funds . . . . .		50,000
22	Rail preservation fund . . . . .		2,000,000
23	State general fund/general purpose . . . . .	\$	0
24	<b>Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT</b>		
25	Specialized services . . . . .	\$	3,600,100
26	Municipal credit program . . . . .		2,000,000
27	Bus capital . . . . .		29,400,000
28	Ride sharing . . . . .		330,700
29	Van pooling . . . . .		145,000
30	Bus property management . . . . .		125,000
31	Service development and new technology . . . . .		1,675,000

1	Planning grants . . . . .	150,000
2	Audit settlements . . . . .	200,000
3	Regional service coordination . . . . .	1,000,000
4	Work first initiative . . . . .	<u>3,979,200</u>
5	GROSS APPROPRIATION . . . . .	\$ 42,605,000

6 Appropriated from:

7 Federal revenues:

8	DOT, federal transit act . . . . .	18,600,000
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9 Special revenue funds:

10	Comprehensive transportation fund . . . . .	23,855,000
11	Local funds . . . . .	150,000
12	State general fund/general purpose . . . . .	\$ 0

13 PART 2

14 PROVISIONS CONCERNING APPROPRIATIONS

15 **GENERAL SECTIONS**

16 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
 17 constitution of 1963, total state spending under part 1 for fiscal year  
 18 1999-2000 is \$1,963,300,400.00 and state appropriations to be paid to  
 19 local units of government are as follows:

20 DEPARTMENT OF TRANSPORTATION

21	Local grant program . . . . .	\$ 33,000,000
22	Economic development fund . . . . .	20,669,400
23	Grants to cities and villages . . . . .	311,288,600
24	Grants to county road commissions . . . . .	558,320,300
25	Critical bridge program . . . . .	5,250,000
26	Grants to regional planning councils . . . . .	488,800
27	Local bus operating . . . . .	144,575,400
28	Bus capital . . . . .	12,000,000
29	Marine passenger service . . . . .	800,000
30	Detroit/Wayne County port authority . . . . .	301,800
31	Local ride sharing operating grants . . . . .	330,700
32	Planning grants . . . . .	150,000
33	Municipal credit program . . . . .	2,000,000

1	Specialized services . . . . .	3,600,100
2	Total payments to local units of government . .	\$ 1,092,775,100

3 (2) If it appears to the principal executive officer of a  
4 department or branch that state spending to local units of government  
5 will be less than the amount that was projected to be expended under  
6 subsection (1), the principal executive officer shall immediately give  
7 notice of the approximate shortfall to the state budget director.

8 Sec. 202. The expenditures and funding sources authorized under  
9 this bill are subject to the management and budget act, 1984 PA 431,  
10 MCL 18.1101 to 18.1594.

11 Sec. 203. (1) Beginning October 1, 1999, a hiring freeze is  
12 imposed on the state classified civil service. State departments and  
13 agencies are prohibited from hiring any new full-time state classified  
14 civil service employees and prohibited from filling any vacant state  
15 classified civil service positions. This hiring freeze does not apply  
16 to internal transfers of classified employees from one position to  
17 another within a department or to positions that are funded with 80% or  
18 more federal or restricted funds.

19 (2) The state budget director shall grant exceptions to this

1 hiring freeze when the state budget director believes that the hiring  
2 freeze will result in rendering a state department or agency unable to  
3 deliver basic services.

4 Sec. 204. The department of civil service shall bill departments  
5 and agencies at the end of the first fiscal quarter for the 1% charge  
6 authorized by section 5 of article XI of the state constitution of  
7 1963. Payments shall be made for the total amount of the billing by  
8 the end of the second fiscal quarter.

9 Sec. 205. As used in this bill:

- 10 (a) "CTF" means comprehensive transportation fund.  
11 (b) "Department" means the Michigan department of transportation.  
12 (c) "DOT" means the United States department of transportation.  
13 (d) "DOT-FHWA" means DOT federal highway administration.  
14 (e) "DOT-FRA" means DOT federal railroad administration.  
15 (f) "DOT-FRA, rail passenger/HSGT" means DOT federal railroad  
16 administration, high-speed ground transportation.  
17 (g) "EDF" means economic development fund.  
18 (h) "FTE" means full-time equated.  
19 (i) "IDG" means interdepartmental grant.  
20 (j) "IDT" means intradepartmental transfer.  
21 (k) "MDTR" means Michigan department of treasury.  
22 (l) "MTF" means Michigan transportation fund.  
23 (m) "RIF" means recreation improvement fund.  
24 (n) "SAF" means state aeronautics fund.  
25 (o) "STF" means state trunkline fund.

26 Sec. 206. (1) In addition to the funds appropriated in part 1,  
27 there is appropriated an amount not to exceed \$40,000,000.00 for  
28 federal contingency funds. These funds are not available for  
29 expenditure until they have been transferred to another line item in  
30 this bill pursuant to section 393(2) of the management and budget act,  
31 1984 PA 431, MCL 18.1393.

1 (2) In addition to the funds appropriated in part 1, there is  
2 appropriated an amount not to exceed \$40,000,000.00 for state  
3 restricted contingency funds. These funds are not available for  
4 expenditure until they have been transferred to another line item in  
5 this bill pursuant to section 393(2) of the management and budget act,  
6 1984 PA 431, MCL 18.1393.

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

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

19 **DEPARTMENTAL SECTIONS**

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

29 Sec. 302. The department shall prepare an official transportation  
30 map that shall be distributed without charge.

31 Sec. 303. If, as a requirement of bidding on a highway project,

1 the department requires a contractor to submit financial or proprietary  
2 documentation as to how the bid was calculated, that bid documentation  
3 shall be kept confidential and shall not be disclosed other than to a  
4 department representative without the contractor's written consent.  
5 The department may disclose the bid documentation if necessary to  
6 address or defend a claim by a contractor.

7       Sec. 304. The department may permit space on public passenger  
8 transportation properties to be occupied by public or private tenants  
9 on a competitive market rate basis. The department may require that  
10 revenue from the tenants be placed in an account to be used to pay the  
11 costs to maintain and improve the property.

12       Sec. 305. The department shall aggressively pursue compliance with  
13 contract specifications for construction and maintenance of state  
14 highways. The department shall identify contractors who fail to meet  
15 minimum standards and will actively pursue remuneration efforts.  
16 Collections shall be deposited into the appropriate fund accounts.

17       Sec. 306. The department shall continue its efforts to reduce  
18 administrative costs and provide the maximum funding possible for  
19 construction projects.

20       Sec. 307. The department shall not use funds appropriated under  
21 part 1 on behalf of a local governmental unit to pay the amount  
22 required for that local governmental unit to participate in the federal  
23 advance construct program.

24       Sec. 308. (1) At the close of the fiscal year ending September 30,  
25 2000, any unencumbered and unexpended balance in the state trunkline  
26 fund shall remain in the state trunkline fund and shall carry forward  
27 and be appropriated for federal aid road and bridge programs for  
28 projects contained in the annual state transportation program.

29       Sec. 309. (1) From funds appropriated in part 1, the department may  
30 increase the state infrastructure bank program and grant or loan funds  
31 in accordance with regulations of the state infrastructure bank

1 program of the United States department of transportation. The state  
2 infrastructure bank is to be administered by the department for the  
3 purpose of providing a revolving, self-sustaining resource for  
4 financing transportation infrastructure projects.

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

14 Sec. 310. From funds appropriated in part 1, money received by the  
15 department in payment for advanced purchase right-of-way, either as a  
16 result of project programming from federal, state, local, or private  
17 sources, or from sale as excess property, will be restricted for the  
18 purchase of other advanced purchase right-of-way. At the end of the  
19 fiscal year, unexpended funds shall remain in the advanced purchase  
20 right-of-way fund and shall be used for this purpose in the succeeding  
21 fiscal year.

22 Sec. 311. The department shall coordinate with the Michigan  
23 information center on the development of right-of-way mapping books.

24 **FEDERAL**

25 Sec. 401. (1) Twenty-three to twenty-seven percent of the remaining  
26 DOT-FHWA highway research, planning, and construction federal funds  
27 appropriated in section 110 shall be allocated to programs administered  
28 by local jurisdictions after deduction of the following:

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

31

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

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

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

12 (4) The department will attempt to allocate federal aid to highways  
13 distributed to local jurisdictions in subsection (1) in a manner that  
14 produces a 25% average allocation of applicable funds to programs for  
15 local jurisdictions in each fiscal year through the fiscal year ending  
16 September 30, 2005. Beginning in the fiscal year ending September 30,  
17 1999, the average allocation of applicable federal aid to highway funds  
18 to programs for local jurisdictions shall be the average of the amount  
19 distributed to local jurisdictions under subsection (1) and similarly  
20 calculated distributions in each succeeding fiscal year.

21 (5) The allocation percentage described in subsection (1) shall be  
22 adjusted to reflect any voluntary agreements made by the department  
23 with local jurisdictions regarding the transfer of federal aid eligible  
24 roadways or the state buyout of local federal aid.

25 **MICHIGAN TRANSPORTATION FUND**

26 Sec. 501. The money received under the motor carrier act, 1933 PA  
27 254, MCL 475.1 to 479.43, and not appropriated to the department of  
28 consumer and industry services or the department of state police, is  
29 deposited in the Michigan transportation fund.

30 Sec. 502. The department of treasury shall perform audits and make

1 investigations of the disposition of all state funds received by county  
2 road commissions or county boards of commissioners, as applicable, and  
3 cities and villages for transportation purposes to determine compliance  
4 with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675.  
5 County road commissions or county boards of commissioners, as  
6 applicable, and cities and villages shall make available to the  
7 department of treasury the pertinent records for the audit.

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

13       Sec. 504. (1) The funds appropriated in part 1 for the economic  
14 development programs shall not lapse at the end of the fiscal year but  
15 shall carry forward each fiscal year for the purposes for which  
16 appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913.

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

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

26       Sec. 505. (1) Funds from the Michigan transportation fund (MTF)  
27 shall be distributed to the comprehensive transportation fund (CTF),  
28 the economic development fund (EDF), the recreational improvement fund  
29 (RIF), and the state trunkline fund (STF), in accordance with this bill  
30 and part 711 (recreation improvement fund) of the natural

1 resources and environmental protection act, 1994 PA 451, MCL 324.71101  
2 to 324.71108, and may only be used as specified in this bill, 1951 PA  
3 51, MCL 247.651 to 247.675, and part 711 (recreation improvement fund)  
4 of the natural resources and environmental protection act, 1994 PA 451,  
5 MCL 324.71101 to 324.71108.

6 (2) The amounts appropriated and transferred to various state  
7 agencies from part 1 shall be expended from the transportation funds  
8 pursuant to annual contracts between the department and state agencies  
9 providing tax and fee collection and other services applicable to  
10 transportation. The contracts shall be executed prior to the transfer  
11 of these funds. The contracts shall provide, but are not limited to,  
12 the following data applicable to each state agency:

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

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

15 (3) If the spending authorization accounts also are to be used for  
16 financing other than transportation fund services, the contracts shall  
17 include detailed cost allocation methods that are appropriate to the  
18 type of services being provided and the activities financed and  
19 supporting rationale for the portion of costs allocated to  
20 transportation funds.

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

28 Sec. 506. Of the amount appropriated in part 1 from the Michigan  
29 transportation fund to the department of state, \$186,600.00 represents  
30 the additional cost of issuing specialized license plates for veterans  
31 and national guard members, as included in 1989 PAs 16, 17, 18, and

1 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l. The department of  
2 state shall prepare an annual report on the number of and the  
3 additional costs associated with the veteran license plates to the  
4 department, the state budget director, the house and senate fiscal  
5 agencies, and the chairpersons of the house and senate appropriations  
6 subcommittees on transportation. Any unspent funds based on these  
7 annual reports shall lapse to the Michigan transportation fund and be  
8 distributed in accordance with 1951 PA 51, MCL 247.651 to 247.675.

9       Sec. 507. (1) Of the amount appropriated in part 1 from the  
10 Michigan transportation fund to the department of state, \$187,600.00  
11 represents the additional cost of issuing generic license plates for  
12 nonprofit fraternal or public service organizations, as included in  
13 section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

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

19       (3) Any unspent funds based on these annual reports shall lapse to  
20 the Michigan transportation fund to be distributed in accordance with  
21 1951 PA 51, MCL 247.651 to 247.675.

22       Sec. 508. (1) Commemorative and specialty license plate fee revenue  
23 collected by the department of state and deposited into the Michigan  
24 transportation fund is authorized for expenditure by the department of  
25 state up to the amount of revenue collected, but not to exceed  
26 \$9,353,300.00, the amount appropriated to the department of state in  
27 part 1 to administer the commemorative and specialty license plate  
28 program pursuant to section 225 of the Michigan vehicle code, 1949 PA  
29 300, MCL 257.225.

30       (2) Commemorative and specialty license plate fee revenue collected  
31 by the department of state and deposited in the Michigan

1 transportation fund in addition to that appropriated in part 1 to the  
2 department of state shall be available for other Michigan  
3 transportation fund-supported programs.

4 **STATE TRUNKLINE FUND**

5 Sec. 601. Of the amount of state funds appropriated for road and  
6 bridge projects under this bill, the department, counties, and cities  
7 and villages shall, whenever possible, secure warranties for contracted  
8 construction work.

9 Sec. 602. From the amounts appropriated in part 1 for urban county  
10 congestion from the transportation economic development fund for the  
11 fiscal year ending September 30, 2000, \$2,000,000.00 may be used for  
12 the purpose of matching, at not more than 50%, private and local funds  
13 for the AAA Michigan road improvement program. The AAA Michigan road  
14 improvement program, a public/private partnership, was established to  
15 fund or assist funding road improvements in urban areas to reduce the  
16 number and severity of crashes at high crash locations.

17 Sec. 603. From the amounts appropriated in part 1 for forest roads  
18 from the transportation economic development fund in the fiscal year  
19 ending September 30, 2000, \$40,000.00 shall be used for the purpose of  
20 establishing truck inspection stations.

21 **COMPREHENSIVE TRANSPORTATION FUND**

22 Sec. 701. Money that is returned to the state as repayment for a  
23 loan for intercity bus equipment is not money to be deposited in the  
24 comprehensive transportation fund under section 10b of 1951 PA 51, MCL  
25 247.660b, but is money that is deposited in an intercity bus equipment  
26 fund for appropriation for the purchase and repair of intercity bus  
27 equipment. Proceeds received by the state from the sale of intercity  
28 bus equipment are deposited in an intercity bus equipment fund for  
29 appropriation for the purchase and repair of intercity bus equipment.  
30 Security deposits from the lease of state-owned intercity bus equipment  
31 not returned to the lessee of the equipment under terms of

1 the lease agreement are deposited in an intercity bus equipment fund  
2 for appropriation for the repair of intercity bus equipment.

3 Sec. 702. Money that is received by the state as repayment for  
4 loans made for rail or water freight capital projects, and as a result  
5 of the sale of property or equipment used or projected to be used for  
6 rail or water freight projects shall be deposited in the fund created  
7 by section 17 of the state transportation preservation act of 1976,  
8 1976 PA 295, MCL 474.67.

9 Sec. 703. The appropriation in part 1 for van pooling shall be  
10 administered by the department through grants to eligible authorities  
11 and eligible governmental agencies to insure coordination between van  
12 and car pooling programs and the transit systems operated by the  
13 eligible authorities and eligible governmental agencies.

14 Sec. 704. From the funds appropriated in part 1, \$2,000,000.00 is  
15 allocated for a rail infrastructure loan program. The program shall  
16 provide noninterest bearing loans for rail infrastructure improvements.  
17 The department shall evaluate loan applications according to the  
18 relative merit of the project in conjunction with program goals. The  
19 transportation commission shall approve the loans. The loans shall  
20 fund not less than 90% of the rail portion of project costs, and the  
21 loan repayment period shall not exceed 10 years. Local governments,  
22 railroads, and current or potential users of freight railroad services  
23 are eligible applicants. At the end of the fiscal year, unexpended  
24 funds shall remain in the rail infrastructure loan program and shall be  
25 available to be allocated for the purposes of the program in the  
26 succeeding fiscal year. Money that is received by this state as  
27 repayment for rail infrastructure loans made pursuant to this program  
28 shall remain within the rail infrastructure loan program and shall be  
29 allocated for the purposes of the program. The state's total  
30 contribution to the rail infrastructure loan program shall not exceed  
31 \$15,000,000.00.

32

1           Sec. 705. Appropriated in part 1 is \$3,979,200.00 for the work  
2 first initiative. Funding earmarked for the work first initiative is  
3 in addition to current program support for this initiative.

4           Sec. 706. The Detroit/Wayne County port authority shall issue a  
5 complete operations assessment and a financial disclosure statement to  
6 the department by December 15, 2000.

7           Sec. 707. For the fiscal year ending September 30, 2000, each  
8 eligible authority and each eligible governmental agency which provides  
9 public transportation services in urbanized areas with a Michigan  
10 population of less than or equal to 100,000 and nonurbanized areas  
11 under section 5311 of title 49 of the United States Code, 49 U.S.C.  
12 5311, shall receive a grant of up to 60% of its eligible operating  
13 expenses. Each eligible authority and each eligible government agency  
14 which provides public transportation services in urbanized areas with a  
15 Michigan population of greater than 100,000 under section 5311 of title  
16 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of  
17 up to 50% of its eligible operating expenses.

18           Sec. 708. Of the funds appropriated in part 1 for local bus  
19 operating and marine passenger services, the department shall not  
20 allocate any funds to pay the operating cost of services provided by  
21 water vehicles.

22           **AERONAUTICS FUND**

23           Sec. 801. At the close of the fiscal year ending September 30,  
24 2000, any unobligated and unexpended balance in the state aeronautics  
25 fund created in the aeronautics code of the state of Michigan, 1945 PA  
26 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund  
27 and be appropriated by the legislature in the immediately succeeding  
28 fiscal year.