

Act No. 136
Public Acts of 1999
Approved by the Governor*
July 27, 1999
Filed with the Secretary of State
July 27, 1999
EFFECTIVE DATE: July 27, 1999

*Item Vetoes

Sec. 336.

Entire Section. (Pages 11, 12)

Sec. 402(4).

The words: "Thirty percent of all federal aid bridge funds shall be allocated to the critical bridge fund for the purpose of repairing or replacing bridges in the local off-system categories and local on-system categories." (Page 12)

Sec. 604.

Entire Section. (Page 15)

Sec. 610.

Entire Section. (Page 15)

Act No. 136
Public Acts of 1999
Approved by the Governor*
July 27, 1999
Filed with the Secretary of State
July 27, 1999
EFFECTIVE DATE: July 27, 1999

STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

Introduced by Senators Hoffman, McManus, Steil, Gougeon and Goschka

ENROLLED SENATE BILL No. 372

AN ACT 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, certain state institutions of higher education, and local units of government; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

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:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,176.3	
GROSS APPROPRIATION		\$ 2,829,895,700
Interdepartmental grant revenues:		
IDT, intradepartmental charges		10,459,500
Total interdepartmental grants and intradepartmental transfers		10,459,500
ADJUSTED GROSS APPROPRIATION		\$ 2,819,436,200
Federal revenues:		
DOT, federal transit act		26,146,000
DOT-FHWA, highway research, planning, and construction		800,525,000
DOT-FRA, local rail service assistance		2,000,000
DOT-FRA, rail passenger/HSGT		3,000,000
Total federal revenues		831,671,000

For Fiscal Year
Ending Sept. 30,
2000

Special revenue funds:	
Local funds.....	\$ 5,300,000
Total local revenues	5,300,000
Total private revenues.....	0
Total local and private revenues.....	5,300,000
Michigan transportation fund.....	1,024,787,200
General fund restricted purpose.....	12,999,800
Blue water bridge fund.....	12,395,400
State trunkline fund.....	696,404,000
State aeronautics fund	9,056,000
Comprehensive transportation fund	224,322,800
Intercity bus equipment fund.....	500,000
Rail preservation fund	2,000,000
Total other state restricted revenues	1,982,465,200
State general fund/general purpose	\$ 0
TOTAL PAYMENTS TO LOCALS	\$ 1,105,317,700

Sec. 102. DEBT SERVICE

State trunkline	\$ 35,904,600
Trunkline bonds, series 1989A-EDF (\$100,000,000).....	6,608,300
Critical bridge	3,000,000
Blue water bridge.....	2,311,900
Comprehensive transportation.....	21,209,300
GROSS APPROPRIATION.....	\$ 69,034,100

Appropriated from:

Special revenue funds:

Comprehensive transportation fund	21,209,300
Michigan transportation fund.....	9,608,300
State trunkline fund.....	35,904,600
Blue water bridge fund.....	2,311,900
State general fund/general purpose	\$ 0

Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS

Michigan transportation fund (MTF)

MTF grant to department of environmental quality	\$ 813,000
MTF grant to department of state.....	56,830,800
MTF grant to legislative auditor general	101,800
MTF grant to attorney general	2,475,200

State trunkline fund (STF)

STF grant to department of civil service	1,320,000
STF grant to department of management and budget	768,100
STF grant to department of natural resources	37,500
STF grant to department of state police	6,305,700
STF grant to department of treasury	24,300
STF grant to legislative auditor general	381,100

State aeronautics fund (SAF)

SAF grant to department of attorney general	114,900
SAF grant to department of civil service	50,000
SAF grant to department of management and budget	18,200
SAF grant to department of treasury	61,500
SAF grant to legislative auditor general	15,400

Comprehensive transportation fund (CTF)

CTF grant to department of civil service	95,000
CTF grant to department of management and budget	38,600
CTF grant to department of treasury	8,900
CTF grant to legislative auditor general	38,900
GROSS APPROPRIATION.....	\$ 69,498,900

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund	\$ 181,400
Michigan transportation fund	60,220,800
State aeronautics fund	260,000
State trunkline fund	8,836,700
State general fund/general purpose	\$ 0

Sec. 104. EXECUTIVE DIRECTION

Full-time equated unclassified positions	6.0
Full-time equated classified positions	33.3
Unclassified salaries	\$ 476,500
State transportation commission (per diem payments)	7,200
Commission audit—33.3 FTE positions	2,911,900
GROSS APPROPRIATION	\$ 3,395,600

Appropriated from:	
Special revenue funds:	
State trunkline fund	3,395,600
State general fund/general purpose	\$ 0

Sec. 105. ADMINISTRATIVE SERVICES

Full-time equated classified positions	138.7
Administration and data center—103.7 FTE positions	\$ 31,227,400
Building occupancy charges - property management	4,582,400
Human resources—30.0 FTE positions	2,402,200
Economic development administration—5.0 FTE positions	500,700
Rent	1,940,000
Worker's compensation	2,528,600
GROSS APPROPRIATION	\$ 43,181,300

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	1,000,000
Special revenue funds:	
General fund restricted purpose	129,800
State aeronautics fund	631,900
Comprehensive transportation fund	1,086,200
Michigan transportation fund	435,600
State trunkline fund	39,897,800
State general fund/general purpose	\$ 0

Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION

Full-time equated classified positions	255.5
Administration—255.5 FTE positions	\$ 20,355,500
GROSS APPROPRIATION	\$ 20,355,500

Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,048,100
State trunkline fund	19,307,400
State general fund/general purpose	\$ 0

Sec. 107. BUREAU OF TRANSPORTATION PLANNING

Full-time equated classified positions	185.1
Administration—185.1 FTE positions	\$ 20,674,700
Grants to regional planning councils	488,800
GROSS APPROPRIATION	\$ 21,163,500

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	11,041,000

		For Fiscal Year Ending Sept. 30, 2000
Special revenue funds:		
State aeronautics fund	\$	267,000
Comprehensive transportation fund		1,679,500
Michigan transportation fund		5,755,200
State trunkline fund		2,420,800
State general fund/general purpose	\$	0
Sec. 108. BUREAU OF HIGHWAYS		
Full-time equated classified positions		1,658.1
Engineering operations—826.3 FTE positions	\$	23,250,900
Maintenance operations—78.0 FTE positions		6,904,700
Program services—753.8 FTE positions		35,431,100
GROSS APPROPRIATION	\$	65,586,700
Appropriated from:		
Interdepartmental grant revenues:		
IDT, intradepartmental charges		207,500
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		3,035,000
Special revenue funds:		
Michigan transportation fund		2,182,200
State trunkline fund		60,162,000
State general fund/general purpose	\$	0
Sec. 109. HIGHWAY MAINTENANCE		
Full-time equated classified positions		707.1
State trunkline operations—707.1 FTE positions	\$	102,271,100
Contract operations		126,628,300
GROSS APPROPRIATION	\$	228,899,400
Appropriated from:		
Interdepartmental grant revenues:		
IDT, intradepartmental charges		10,252,000
Special revenue funds:		
State trunkline fund		218,647,400
State general fund/general purpose	\$	0
Sec. 110. ROAD AND BRIDGE PROGRAMS		
State trunkline federal aid and road and bridge construction	\$	896,203,700
Local federal aid and road and bridge construction		195,827,000
Grants to local programs		33,000,000
AAA intersection improvement program		2,000,000
Rail grade crossing		3,000,000
Critical bridge program		5,250,000
County road commissions		558,320,300
Cities and villages		311,288,600
GROSS APPROPRIATION	\$	2,004,889,600
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		785,449,000
Special revenue funds:		
Local funds		5,000,000
Michigan transportation fund		910,608,900
State trunkline fund		303,831,700
State general fund/general purpose	\$	0
Sec. 111. BLUE WATER BRIDGE		
Full-time equated classified positions		33.0
Blue water bridge fund operations—33.0 FTE positions	\$	10,083,500
GROSS APPROPRIATION	\$	10,083,500

Appropriated from:		
Special revenue funds:		
Blue water bridge fund.....	\$	10,083,500
State general fund/general purpose	\$	0

Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Forest roads	\$	5,040,000
Rural county urban system		2,500,000
Target industries/economic redevelopment		23,064,500
Urban county congestion.....		9,782,200
Rural county primary		9,782,200
GROSS APPROPRIATION	\$	50,168,900

Appropriated from:		
Special revenue funds:		
General fund restricted purpose		12,870,000
Michigan transportation fund.....		33,298,900
State trunkline fund.....		4,000,000
State general fund/general purpose	\$	0

Sec. 113. BUREAU OF AERONAUTICS

Full-time equated classified positions.....	56.0	
Administration—56.0 FTE positions	\$	6,732,100
Air service program		1,000,000
Airport management program		165,000
GROSS APPROPRIATION	\$	7,897,100

Appropriated from:		
Special revenue funds:		
State aeronautics fund		7,897,100
State general fund/general purpose	\$	0

Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION

Full-time equated classified positions.....	109.5	
Administration—109.5 FTE positions	\$	8,649,700
GROSS APPROPRIATION	\$	8,649,700

Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		7,020,500
Michigan transportation fund.....		1,629,200
State general fund/general purpose	\$	0

Sec. 115. BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating.....	\$	144,576,300
Local bus operating: unreserved CTF fund balance		6,000,000
Nonurban operating/capital		6,646,000
GROSS APPROPRIATION	\$	157,222,300

Appropriated from:		
Federal revenues:		
DOT, federal transit act		6,546,000
Special revenue funds:		
Local funds.....		100,000
Comprehensive transportation fund		150,576,300
State general fund/general purpose	\$	0

Sec. 116. INTERCITY PASSENGER AND FREIGHT

Freight property management.....	\$	1,893,300
Detroit/Wayne County port authority.....		408,500
Intercity bus equipment		2,824,500
Rail passenger service		8,812,800

		For Fiscal Year Ending Sept. 30, 2000
Freight preservation and development	\$	7,500,000
Rail infrastructure loan program.....		2,000,000
Intercity bus service development		2,025,500
Marine passenger services		800,000
Terminal development		1,000,000
GROSS APPROPRIATION	\$	27,264,600
Appropriated from:		
Federal revenues:		
DOT, federal transit act		1,000,000
DOT-FRA, local rail service assistance.....		2,000,000
DOT-FRA, rail passenger/HSGT		3,000,000
Special revenue funds:		
Local funds.....		50,000
Rail preservation fund		2,000,000
Intercity bus equipment fund.....		500,000
Comprehensive transportation fund		18,714,600
State general fund/general purpose	\$	0
Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT		
Specialized services	\$	3,600,100
Municipal credit program		2,000,000
Bus capital.....		29,400,000
Ride sharing		330,700
Van pooling		145,000
Bus property management		125,000
Service development and new technology		1,675,000
Planning grants.....		150,000
Audit settlements		200,000
Region service coordination.....		1,000,000
Work first initiative		3,979,200
GROSS APPROPRIATION	\$	42,605,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act		18,600,000
Special revenue funds:		
Local funds.....		150,000
Comprehensive transportation fund		23,855,000
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1999-2000 is estimated at \$1,982,465,200.00 in this act and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$1,105,317,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Local grant program	\$	33,000,000
Economic development fund.....		27,104,400
Grants to cities and villages		311,288,600
Grants to county road commissions.....		558,320,300
Critical bridge program.....		5,250,000

Grants to regional planning councils	488,800
Local bus operating	150,576,300
Bus capital	12,000,000
Marine passenger service	800,000
Detroit/Wayne County port authority	408,500
Local ride sharing operating grants	330,700
Planning grants	150,000
Municipal credit program	2,000,000
Specialized services	3,600,100
Total payments to local units of government	\$ 1,105,317,700

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

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "DOT-NHTSA" means DOT, national highway traffic safety administration.
- (h) "EDF" means economic development fund.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "MDTR" means Michigan department of treasury.
- (l) "MTF" means Michigan transportation fund.
- (m) "RIF" means recreation improvement fund.
- (n) "RTCC" means regional transit coordinating council.
- (o) "SAF" means state aeronautics fund.
- (p) "SEDF" means state economic development fund.
- (q) "STF" means state trunkline fund.

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

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

Sec. 205. A department or agency billed by the department of civil service for the 1% charge authorized by section 5 of article XI of the state constitution of 1963 by the end of the first fiscal quarter, shall pay the total amount of the billing by the end of the second fiscal quarter.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been

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

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

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

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

Sec. 207. The departments and agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 209. The department shall not implement an affirmative action plan unless it has been submitted to the Michigan civil rights commission for approval in accordance with section 210 of the Elliott-Larsen civil rights act, 1976 PA 453, MCL 37.2210, and the Michigan civil rights commission has approved the plan.

Sec. 210. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.

DEPARTMENTAL SECTIONS

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law.

(2) A bridge authority shall hold 3 public hearings on a change in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing.

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

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

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

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

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

Sec. 307. Before February 1 of each year, the department will provide to the legislature and to the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. Money appropriated in part 1 shall not be used for the purchase of foreign goods or services when competitively priced and of comparable quality American goods or services are available.

Sec. 309. The department shall aggressively pursue compliance with contract specifications for construction and maintenance of state highways. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the department's prequalification process. As part of its annual overview of the budget, the department shall report to the house and senate appropriations subcommittees on transportation on its activities under this section.

Sec. 311. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 313. To facilitate an informed and cooperative relationship between the transportation commission and the legislature, the department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 314. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

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

Sec. 316. At the close of the fiscal year ending September 30, 2000, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and be appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

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

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

Sec. 318. From funds appropriated in part 1, money received by the department in payment for advanced purchase right-of-way, either as a result of project programming from federal, state, local, or private sources, or from sale as excess property, will be restricted for the purchase of other advanced purchase right-of-way. At the end of the fiscal

year, unexpended funds shall remain in the advanced purchase right-of-way fund and shall be used for this purpose in the succeeding fiscal year.

Sec. 319. The department shall coordinate with the Michigan information center on the development of right-of-way mapping books.

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

Sec. 321. (1) It shall remain a priority for the office of commission audits to fill all authorized positions. The commission shall submit a written report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies providing the structure of the office, the oversight of the office by the commission, and specific plans and the date or dates for implementation of those plans for improvements in the office.

(2) The chief administrative officer of the office shall be responsible for the performance by the office of not less than 6 performance audits in a fiscal year. The chief administrative officer shall provide a report at the end of each 6 months to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on the status of the office, the hours spent on performance audits, and the expected completion dates of audits in progress. Copies of audits completed during the reporting period may be included with the report.

(3) The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due on March 1, 2000, and biennially thereafter beginning on May 1, 2001, and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

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

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

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

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

(2) Mowing shall be 12 feet or to the leading edge of the ditch, whichever is less, adjacent to both shoulders of the roadway to any height at any time. The area between the ditch bottom and the back slopes of the rights-of-way shall be protected from mowing between September 1 and the following July 15 except as permitted in this subsection. Spraying shall be limited to the control of noxious weeds and brush within this area. From July 16 through August 31, mowing may be through the entire right-of-way if needed, including through the ditch bottom, while maintaining not less than 12 inches of grass height from the back of the ditch to the back of the right-of-way and within the median. Between July 16 and the following March 1, mechanical brush and woody stem control may be completed to whatever height is needed to provide control and safety. Twenty-five percent of all roads shall be designated annually for brush control that includes mowing with follow-up herbicide treatment during the next growing season.

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

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

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

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

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

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

Sec. 325. The legislature recommends that the department adopt standard English units of weight and measure on all road and bridge construction, maintenance, and improvement projects.

Sec. 327. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

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

Sec. 330. Funds appropriated in section 104 for state transportation commission per diem payments shall provide daily per diem payments of \$100.00 to each of the 6 appointed members of the state transportation commission for all scheduled public state transportation commission meetings, with annual distributions of not more than \$1,200.00 to each appointed member.

Sec. 331. The department shall implement a pilot program that places reports required by this act on the internet, with electronic notification to legislative offices of internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format.

Sec. 333. (1) The department shall conduct a pavement demonstration project of not less than 1 mile in length as part of new construction using a pavement design that increases pavement life expectancy by not less than 40%. The department shall work with interested parties to develop design details and specifications for pavement design for the project which would best reduce pavement life cycle cost. It is the intent of the legislature that the department monitor the ride quality, performance, and life cycle cost of the road section constructed with the pavement design in comparison with road sections constructed using standard department specifications.

(2) The design shall increase pavement life expectancy by at least 40%. If the estimated paving construction costs for the road section designed to modified specifications exceed 15% of the estimated paving costs for comparable road sections on the same project designed to standard department paving specifications, the department shall use standard paving design details and specifications.

Sec. 334. The department shall continue its program to increase the use of women and minority owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women and minority owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women and minority owned businesses. The department shall report by March 31, 2000, to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 335. Logo signs shall be placed at 30 interchange locations during the fiscal year ending September 30, 2000. The signs may not be located within 5 miles of any international airport.

Sec. 336. (1) From funds appropriated in section 110 for state trunkline federal aid and road and bridge construction, the department shall expend \$2,000,000.00 on a 2-year pilot project to improve traffic flow on US-131, the major north and south artery through western Michigan. This pilot project shall be comprised of the following components:

(a) \$1,750,000.00 to examine alternatives in which the state, in collaboration with local transit providers, can mitigate congestion caused by the closure for repairs of US-131. This component shall explore the use of the following options:

(i) Keeping 1 lane open on the expressway at all times or providing an alternate route for use by buses, vans, and cars with 6 or more occupants.

(ii) Establishing a park and go program.

(iii) Other options the state and pilot participants consider feasible.

(b) \$250,000.00 shall be used to examine and improve traffic flow through and around the intersection of US-131, BR-131, and M-20.

(2) The department shall provide the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies a status report on this project on or before June 1, 2000.

Sec. 337. The department and the department of state police shall jointly prepare a report for the house and senate appropriations subcommittees on transportation that provides a cost effective strategic direction for the motor carrier weight enforcement program. The report shall minimally address the role of existing weigh stations and the use of new technologies for mobile enforcement. This report shall be submitted not later than April 1, 2000.

FEDERAL

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house transportation appropriations subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not disapproved within 30 business days by either the senate or house transportation appropriations subcommittees, then the recommendation or recommendations shall be considered as approved. If either the senate or house transportation appropriations subcommittee disapproves the proposed distribution, then the senate and house transportation appropriations subcommittees and the department shall hold a joint meeting on the issue to arrive at a final distribution. If no agreement is reached between the parties, the department's distribution shall stand.

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

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

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

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

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

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

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

(6) The department shall not borrow against the critical bridge fund for the first 9 months of the fiscal year.

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

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

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

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

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

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

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

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

Sec. 404. The appropriation in part 1 for grants to regional planning councils shall not be distributed until the regional planning councils submit to the department a work plan for the ensuing fiscal year and a description of transportation planning activities performed in the prior fiscal year. The appropriation in part 1 for grants to regional planning councils shall not be affected in the current fiscal year. It is the intent of the legislature that in subsequent fiscal years the distribution of grants to regional planning councils be based on needs as supported by a submitted work plan.

MICHIGAN TRANSPORTATION FUND

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

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

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

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

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

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

(4) None of the funds statutorily dedicated to the transportation economic development fund shall be diverted to other projects without the notification and approval of the house and senate appropriations subcommittees on transportation.

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

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

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

(b) Description of services financed with transportation funds.

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

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

(5) The department and the state agencies with which the department contracts in the manner provided in subsection (2) shall work together to explore methods of minimizing lapses or shortfalls in grants from transportation funds.

(6) In addition to the reporting requirements in subsection (4), the department of state shall submit a written report to the auditor general, not later than May 30 of each year, stating by spending authorization account the amount of funds contracted with the department of transportation that had been received during the first 6 months of the fiscal year, the amount of funds expended during the first 6 months of the fiscal year, a description of the services and costs that were financed by those funds, and the rationale for the allocation of transportation funds for those services and costs. The report shall be subject to audit by the auditor general. A copy of the report shall be submitted to the department of transportation, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies. If the report is not received by May 30 of each year, the auditor general shall immediately notify the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies in writing of the department of state's failure to submit the required report.

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

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

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

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

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

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

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

(2) After compiling this information for all Michigan counties, the department shall prepare a report on the current all-season road network within the state. This report shall illustrate the current all-season road network under state and county control, identify contiguity gaps in this network, and suggest ways to improve connectivity on the current all-season network. This report shall be presented to the house and senate appropriations subcommittees on transportation and house and senate fiscal agencies on or before May 1, 2000.

Sec. 510. It is the intent of the legislature that as the appropriation of Michigan transportation fund funds for administration for certain state agencies is phased out, as provided for in section 10(1) of 1951 PA 51, MCL 247.660, those funds shall be distributed pursuant to section 10 of 1951 PA 51, MCL 247.660, and shall not be distributed to any state agency that remains eligible to receive Michigan transportation fund funds for administration.

STATE TRUNKLINE FUND

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

Sec. 602. The legislature encourages the department to work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2000, to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 603. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund in the fiscal year ending September 30, 2000, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with the timberman's association to educate truck drivers on the use of the stations, as well as evaluate the stations' effectiveness. The department shall report on the effectiveness of this program.

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

- (a) The extension of the current passing lane on US-223 in Lenawee County from Rome Road to the city of Adrian.
- (b) The construction of a passing lane on US-223 between the city limits of Palmyra and the city limits of Blissfield.

Sec. 605. The department shall undertake a study of traffic patterns on I-94 in Washtenaw, Jackson, Calhoun, Kalamazoo, Van Buren, and Berrien Counties, and on I-69 in St. Clair, Lapeer, Genesee, Shiawassee, Clinton, Ingham, Eaton, Calhoun, and Branch Counties. The department shall provide a copy of this report to the members of the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on or before October 1, 1999. This report shall make specific recommendations regarding the expansion of bridges and overpasses on I-94 and I-69 to accommodate future transportation needs.

Sec. 606. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load bearing conditions beneath the roadway meet the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

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

Sec. 610. From the funds appropriated in section 110 for road and bridge construction, the department shall begin the construction process, which may include traffic studies, preliminary engineering, right-of-way acquisition, and construction, of a full interchange at exit 150 on I-96 in Livingston County at Pleasant Valley road.

Sec. 617. It is the intent of the legislature that the department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2000. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

COMPREHENSIVE TRANSPORTATION FUND

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

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall

be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67.

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

Sec. 706. The department shall submit a report to both the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1 of each year outlining its efforts to develop a high-speed rail program as well as efforts to obtain funding for this purpose. The report shall include recommendations on self-sustaining revenue sources to increase awareness and include efforts to increase ridership.

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

(2) The department shall work with Amtrak and local interests on increasing marketing efforts to promote awareness of rail passenger service and to increase ridership. The department shall also work with Amtrak to reduce the operating cost and to maximize the revenue of its rail passenger lines in Michigan including, but not limited to, privatization of food services aboard the train and selling of advertising space aboard the train. The department shall submit a report to both the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by January 1, 1999, that provides a 5-year history on services and ridership, as well as a 5-year plan for these services.

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

ANN ARBOR RAILROAD SYSTEM:

Toledo to north of Ann Arbor (Osmer).
Pittsfield Junction to Saline.

STATE OF MICHIGAN OWNED RAIL LINES (ACTIVE):

North of Ann Arbor (Osmer) to Durand, Durand to Owosso via Central Michigan Railway trackage rights, and then Owosso to Ashley to Cadillac to Harlan.
(Tuscola and Saginaw Bay Railway)
Owosso north to St. Charles. (TSB)
Cadillac north to Petoskey via Walton Junction. (TSB)
Walton Junction to Traverse City. (TSB)
Grawn via Traverse City to Williamsburg. (TSB)
(Huron and Eastern Railway)
Millington to Vassar to Munger. (HERC)
Vassar to Caro to Colling. (HERC)
Iron Mountain to Ontonagon via Channing. (Escanaba and Lake Superior Railroad)
(Indiana Northeastern Railroad)
Hillsdale to Indiana State Line via Reading.
Hillsdale to east of Quincy via Jonesville. (INRC)
Jonesville to Litchfield. (INRC)
Linwood to Sallings via West Branch and Grayling. (Lake State Railway)
Riga to west of Adrian. (Adrian and Blissfield Railroad)
Grosvenor to River Raisin. (A&B)

TUSCOLA AND SAGINAW BAY RAILWAY:

Middleton to Ashley.

HURON AND EASTERN RAILWAY:

Denmark Junction to Harger (Saginaw).
Saginaw to Bad Axe.
Bad Axe to Kinde.
Bad Axe to Croswell.
Palms to Harbor Beach.
Poland to Sandusky.
Saginaw to Brown City.

NORFOLK SOUTHERN RAILWAY COMPANY:

Detroit to Ohio State Line via Milan.

CSX TRANSPORTATION:

Ohio State Line to Saginaw via Plymouth and Flint.

Detroit to Grand Rapids via Plymouth and Lansing.

Grand Rapids to Indiana State Line via Holland and St. Joseph.

Holland to Montague via Muskegon.

Holland to Hamilton.

Berry to Fremont.

Saginaw to Midland.

Saginaw to Bay City to Essexville.

Grand Rapids to Baldwin via Newaygo.

Baldwin to Ludington via Walhalla.

Walhalla to Manistee/Filer City.

Port Huron to Marine City.

MID-MICHIGAN RAILROAD:

Paines to Elwell via Alma.

Elmdale to Greenville.

COE RAIL, INC.:

Wixom to east of Walled Lake.

GRAND TRUNK WESTERN RAILROAD (CN NORTH AMERICA):

Port Huron to Indiana State Line via Flint, Durand, Lansing, Battle Creek, and Cassopolis.

Durand to Detroit via Pontiac.

Dearborn to Flat Rock.

Port Huron to Detroit.

Richmond to Pontiac.

Pontiac to Lake Orion.

Detroit to Ohio State Line via Monroe.

Pavilion to Kalamazoo.

INDIANA AND OHIO RAILWAY COMPANY (RAIL TEX):

Flat Rock to Ohio State Line via Dundee.

WISCONSIN CENTRAL LIMITED:

Canadian International Boundary at Sault Ste. Marie to Wisconsin State Line via Trout Lake and Gladstone.

Trout Lake to Baraga via Munising Junction and Marquette.

Munising to Munising Junction.

Baraga to Arnheim.

White Pine to Wisconsin State Line via Bergland.

SAULT STE. MARIE BRIDGE COMPANY:

Wisconsin State Line at Menominee to Escanaba via Powers.

Powers to Iron Mountain (Antoine).

Quinnesec to Wisconsin State Line.

Escanaba to Ishpeming.

ESCANABA AND LAKE SUPERIOR RAILROAD:

At Escanaba.

Channing to Republic.

Iron Mountain to Wisconsin State Line.

At Menominee.

LAKE SUPERIOR AND ISHPERING RAILROAD:

Marquette to Republic Mine via Eagle Mills and Ishpeming.

Eagle Mills to Tilden Mine.

LAKE STATE RAILWAY:

Bay City to Linwood.

Pinconning to Hawks via Tawas City and Alpena.

Alabaster Junction to Alabaster.
Alpena to Paxton.
Posen to Rogers City.
Sallings to Gaylord.

CENTRAL MICHIGAN RAILWAY:

Bay City to Midland.
Saginaw to Paines.

NORFOLK SOUTHERN CORPORATION:

Detroit to Ohio State Line via Milan.
Dearborn (CP Townline) to Kalamazoo via Jackson and Battle Creek.
Jackson to Lansing.
Trenton to Toledo.
Jackson to Ackerson Lake.
Ottawa Lake to Ohio State Line.
Grand Rapids to Indiana State Line via Kalamazoo.
White Pigeon to White Pigeon Junction.
Kalamazoo to Portage.
Plainwell to Otsego.
Grand Rapids to Kentwood.

CONSOLIDATED RAIL CORPORATION (JOINTLY OWNED BY NORFOLK SOUTHERN AND CSX):

Detroit to Trenton.
Detroit to Carleton.
Detroit to Utica.
Detroit to Dearborn (CP Townline).

NATIONAL RAILROAD PASSENGER CORPORATION:

Kalamazoo to Indiana State Line via Niles.

CANADIAN NATIONAL RAILWAYS:

Detroit River Tunnel.
St. Clair River Tunnel.

DELRAY CONNECTING RAILROAD:

At Detroit.

WEST MICHIGAN RAILWAY:

Hartford to Paw Paw.

BRANCH AND ST. JOSEPH COUNTIES RAIL USERS ASSOCIATION:

Sturgis to east of Quincy.

MICHIGAN SHORE RAILROAD:

At Muskegon.

IRON CLIFFS RAILWAY COMPANY:

At Ishpeming.

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

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

Sec. 709. (1) By March 31, 2000, the department shall submit a report to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies on the ridesharing and van pooling programs. The report shall describe how the appropriations for this program were expended in the last 5 years and assess the program's effectiveness during this period.

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

Sec. 710. (1) From the funds appropriated in part 1, \$2,000,000.00 is allocated for a rail infrastructure loan program. The program shall provide noninterest bearing loans for rail infrastructure improvements. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not less than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year, unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the program in the succeeding fiscal year. Money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan program and shall be allocated for the purposes of the program. The state's total contribution to the rail infrastructure loan program shall not exceed \$15,000,000.00.

(2) The department or the state transportation commission shall not require any collateral or personal guarantees to qualify for a loan under the rail infrastructure loan program. However, the department or the state transportation commission shall review all outstanding loans issued under the rail infrastructure loan program every 180 days to determine the current status of the loan and verify the continuing eligibility and operations of loan recipients. The department shall prepare an annual report on the status of all outstanding loans issued under this program and present this report to the house and senate appropriations subcommittees on transportation and house and senate fiscal agencies on or before May 1, 2000.

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

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

Sec. 717. (1) It is the intent of the legislature to achieve coordinated services between DDOT and SMART by October 1, 1999. Prior to October 1, 1999, the RTCC shall meet to develop a report on all progress made in the coordination of services between DDOT and SMART. On or before October 1, 1999, the RTCC shall submit the report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. At a minimum, the RTCC shall coordinate dispatching, scheduling, ticketing, and fare boxes. Compliance shall require the RTCC to coordinate intersystem monthly reimbursement to ensure fare box neutrality. If the RTCC fails to meet and submit the report to the legislature on or before October 1, 1999, reimbursement of the monthly eligible operating expenses and bus capital to the RTCC for the month of October 1999 shall not exceed 1/12 of the amount of the distribution received from the CTF for eligible operating expenses and bus capital for the fiscal year ending September 30, 1997.

(2) If the RTCC fails to meet and submit the report to the legislature before that date, then on or before November 1, 1999, DDOT and SMART shall develop, submit, and set into operation a plan to achieve coordinated service that does not reduce total fare box revenue to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. At a minimum, the plan shall coordinate service on the Michigan avenue, Grand River avenue, Woodward avenue, Gratiot avenue, and the Jefferson avenue-Lakeshore drive corridors. The coordinated transit plan shall include coordination of local, intermediate, and express services to increase efficiency and eliminate redundant service which shall not reduce total fare box revenues on those routes.

(3) If DDOT and SMART fail to develop, submit to the legislature, and initiate operation of a coordinated transit plan by November 1, 1999, reimbursement of the monthly eligible operating expenses and bus capital to the RTCC shall not exceed 1/12 of the amount of the distribution received from the CTF for eligible operating expenses for the fiscal year ending September 30, 1997. If no coordinated transit plan is presented and in place by November 1, 1999, it is the intent of the legislature to amend the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, to disband the DDOT and SMART RTCC and separate all subsequent reimbursement of eligible operating expenses and bus capital to DDOT and SMART. After November 1, 1999, and until the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, is amended, for each month that a coordinated transit plan is not in operation, reimbursement of the monthly eligible operating expenses and bus capital to the RTCC shall not

exceed 1/12 of the amount of the distribution received from the CTF for eligible operating expenses for the fiscal year ending September 30, 1997.

(4) All funds withheld from the RTCC under this section shall be reallocated and distributed to all remaining eligible public transit authorities statewide. The amount of funding withheld, reallocated, and distributed under this subsection shall comply with section 10e(4)(a) of 1951 PA 51, MCL 247.660e.

Sec. 718. On or before March 31, 2000, the department shall report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on the status of efforts to develop a Lansing to Detroit commuter rail line. The report shall include an analysis of the feasibility of the proposed Lansing to Detroit commuter rail line.

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

Sec. 722. If funds appropriated in section 116 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 723. (1) The following bus routes are designated as an essential corridor in Michigan:

UPPER PENINSULA-GREYHOUND TRANSPORTATION

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75

GREYHOUND

Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75

INDIAN TRAILS

Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 724. It is the intent of the legislature that, whenever possible, the department work with the local transit agencies to avoid establishing new routes that duplicate existing routes served by intercity carriers when providing

services under regional transportation service programs. It is preferable that private intercity carriers be provided an opportunity to bid by local public transit agencies on services funded through the regional transportation service program.

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.

Sec. 727. It is the intent of the legislature that the department develop a plan to phase out, in subsequent years, the local bus operating funds currently used to reimburse services by water vehicle. Not later than September 1, 1999, the legislature and the department shall hold hearings jointly on the plan to phase out the operating funding.

Sec. 728. The department shall work with public transportation providers to determine the availability of additional federal funds and to develop a strategy to obtain these funds. The discussion shall include, but not be limited to, bonding.

Sec. 729. The appropriation in section 115 for local bus operating: unreserved CTF fund balance shall only be expended by the department if the department, together with the house and senate fiscal agencies and the department of management and budget, determines that sufficient funding is available in the comprehensive transportation fund to support the appropriation. The funding shall be appropriated pursuant to statutory requirements of 1951 PA 51, MCL 247.651 to 247.675, as follows:

(a) Ten percent shall be appropriated to the intercity passenger and freight programs with not more than \$1,000,000.00 of that amount appropriated to the rail infrastructure loan program. Any amount above the \$1,000,000.00 from the 10% shall be appropriated to the freight preservation and development program.

(b) The remaining 90% shall be appropriated to the local bus operating program.

AERONAUTICS FUND

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

Sec. 803. The appropriation in part 1 from the state aeronautics fund for transportation planning administration shall not be distributed until the department submits a report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. The report shall describe in detail how the appropriations for aeronautics planning have been spent in the last 2 years, and assess the current and future levels of funding needed for this purpose.

Sec. 804. The department and the departments of state police, natural resources, and military affairs shall develop plans for the maintenance, scheduling, and use of all state-owned, noncombat aircraft. It is the intent of the legislature that these plans maximize the cost-efficient use of the state transportation air fleet. The departments shall prepare a joint report, coordinated by the department, on the development and implementation of these plans.

Sec. 805. The appropriation in section 113 for the airport management program is a 1-time only appropriation. The department shall include language in the agreement made with Western Michigan University pursuant to this section that the appropriation is a 1-time only appropriation. The department shall use the funding for a 2-year program with Western Michigan University as the fixed base operator for the Romeo airport. The university, in addition to being the fixed base operator for the airport, shall commit university funding for an academic internship program in airport management at the airport. The university shall actively work with local school districts and vocational schools, such as Davis technical institute in Detroit, to identify opportunities for students to pursue postsecondary education opportunities in the aviation industry.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.