

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5396**

A bill to amend 1951 PA 51, entitled

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

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

by amending section 9a (MCL 247.659a), as amended by 1998

PA 308.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9a. ~~-(1) By October 1, 1998, the governor shall~~
2 ~~appoint not more than 5 persons who shall serve as a study com-~~
3 ~~mittee to review transportation funding options, transportation~~
4 ~~investment priorities, and potential strategies for maximizing~~
5 ~~returns on transportation investments. The appointments shall be~~
6 ~~subject to the advice and consent of the senate. The committee~~
7 ~~shall include at least 1 representative of the following~~
8 ~~interests:~~

9 ~~(a) Manufacturing.~~

10 ~~(b) Commerce.~~

11 ~~(c) Agriculture.~~

12 ~~(d) Tourism.~~

13 ~~(e) Labor.~~

14 ~~(2) Beginning October 1, 1998, the committee shall also~~
15 ~~include the majority and minority leaders of the senate or a~~
16 ~~member of the senate designated by each leader and the speaker~~

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1 ~~and minority leader of the house of representatives or a member~~
2 ~~of the house of representatives designated by each leader.~~

3 ~~(3) By January 1, 1999, the legislative auditor general~~
4 ~~shall review and comment on the data developed by the department~~
5 ~~under subsection (5) in order to assist the citizens advisory~~
6 ~~committee.~~

7 ~~(4) A citizens advisory committee shall be created to~~
8 ~~receive and comment upon all reports, studies, and recommenda-~~
9 ~~tions prepared by the various designated technical subcommittees~~
10 ~~of the citizens advisory committee before but not later than the~~
11 ~~submission of the reports, studies, and recommendations to the~~
12 ~~study committee. The members of the citizens advisory committee~~
13 ~~shall be given sufficient time and opportunity to provide members~~
14 ~~of the study committee their majority, minority, or individual~~
15 ~~views of the reports, studies, and recommendations of the various~~
16 ~~designated technical subcommittees. The governor shall appoint~~
17 ~~not more than 24 persons, who shall serve as a citizens advisory~~
18 ~~committee and shall include at least 1 representative from a list~~
19 ~~of 3 recommendations supplied by each organization of the follow-~~
20 ~~ing organizations:~~

21 ~~(a) Michigan farm bureau.~~

22 ~~(b) Michigan trucking association.~~

23 ~~(c) Michigan association of counties.~~

24 ~~(d) Michigan townships association.~~

25 ~~(e) Michigan state chamber of commerce.~~

26 ~~(f) Michigan tourist association.~~

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~~(g) County road association of Michigan.~~

~~(h) Michigan public transit association.~~

~~(i) Michigan association of railroads.~~

~~(j) Michigan municipal league.~~

~~(k) Michigan motor bus association.~~

~~(l) Area agency for aging.~~

~~(m) Michigan association of railroad passengers.~~

~~(n) Nonmotorized advisory commission.~~

~~(o) Michigan association of airport executives.~~

~~(p) American association of aviation businesses.~~

~~(q) American association of retired persons.~~

~~(r) Michigan council for independent living.~~

~~(s) Associated underground contractors of Michigan.~~

~~(t) Asphalt pavers association of Michigan.~~

~~(u) Michigan concrete pavers association.~~

~~(5) The state transportation department shall provide qualified staff, needs, technical oversight, and fiscal analysis subcommittees, and provide by September 30, 1998, a recommended work program to the study committee to enable the committee to carry out its functions.~~

~~(6) By a majority vote of the study committee, the committee shall report to the governor, the state transportation commission, and the legislature on the identified capital and maintenance needs, transportation investment and maintenance priorities, relative use of transportation systems, responsibilities for the identified needs including economic development needs, transportation funding options, historical transportation~~

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1 ~~financing patterns as they relate to total statewide fiscal~~
2 ~~resources, and strategies for maximizing the returns on transpor-~~
3 ~~tation investments. All studies and reports relating to highways~~
4 ~~shall be reported according to functional and legal~~
5 ~~classification. The committee shall publish a preliminary report~~
6 ~~of the data and findings by January 1, 2000. The committee,~~
7 ~~after holding appropriate public hearings, shall recommend, if it~~
8 ~~considers it necessary, alterations of formulas for transporta-~~
9 ~~tion funding and alterations to the distributions of transporta-~~
10 ~~tion responsibilities by July 1, 2000. The report and recommen-~~
11 ~~dations shall also include any positions which a minority of the~~
12 ~~study committee support.~~

13 (1) AS USED IN THIS SECTION:

14 (A) "ASSET MANAGEMENT" MEANS AN ONGOING PROCESS OF MAINTAIN-
15 ING, UPGRADING, AND OPERATING PHYSICAL ASSETS COST-EFFECTIVELY,
16 BASED ON A CONTINUOUS PHYSICAL INVENTORY AND CONDITION
17 ASSESSMENT.

18 (B) "BRIDGE" MEANS A STRUCTURE INCLUDING SUPPORTS ERECTED
19 OVER A DEPRESSION OR AN OBSTRUCTION, SUCH AS WATER, A HIGHWAY, OR
20 A RAILWAY, FOR THE PURPOSES OF CARRYING TRAFFIC OR OTHER MOVING
21 LOADS, AND HAVING AN OPENING MEASURING ALONG THE CENTER OF THE
22 ROADWAY OF MORE THAN 20 FEET BETWEEN UNDERCOPINGS OF ABUTMENTS OR
23 SPRING LINES OF ARCHES, OR EXTREME ENDS OF OPENINGS FOR MULTIPLE
24 BOXES WHERE THE CLEAR DISTANCE BETWEEN OPENINGS IS LESS THAN 1/2
25 OF THE SMALLER CONTIGUOUS OPENING.

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1 (C) "CENTRAL STORAGE DATA AGENCY" MEANS THAT AGENCY OR
2 OFFICE CHOSEN BY THE COUNCIL WHERE THE DATA COLLECTED IS STORED
3 AND MAINTAINED.

4 (D) "COUNCIL" MEANS THE TRANSPORTATION ASSET MANAGEMENT
5 COUNCIL CREATED BY THIS SECTION.

6 (E) "COUNTY ROAD COMMISSION" MEANS THE BOARD OF COUNTY ROAD
7 COMMISSIONERS ELECTED OR APPOINTED PURSUANT TO SECTION 6 OF CHAP-
8 TER IV OF 1909 PA 283, MCL 224.6, OR, IN THE CASE OF A CHARTER
9 COUNTY WITH A POPULATION OF 2,000,000 OR MORE WITH AN ELECTED
10 COUNTY EXECUTIVE THAT DOES NOT HAVE A BOARD OF COUNTY ROAD COM-
11 MISSIONERS, THE COUNTY EXECUTIVE FOR MINISTERIAL FUNCTIONS AND
12 THE COUNTY COMMISSION PROVIDED FOR IN SECTION 14(1)(D) OF 1966
13 PA 293, MCL 45.514, FOR LEGISLATIVE FUNCTIONS.

14 (F) "DEPARTMENT" MEANS THE STATE TRANSPORTATION DEPARTMENT.

15 (G) "FEDERAL-AID ELIGIBLE" MEANS ANY PUBLIC ROAD OR BRIDGE
16 THAT IS ELIGIBLE FOR FEDERAL AID TO BE SPENT FOR THE CONSTRUC-
17 TION, REPAIR, OR MAINTENANCE OF THAT ROAD OR BRIDGE.

18 (H) "LOCAL ROAD AGENCY" MEANS A COUNTY ROAD COMMISSION OR
19 DESIGNATED COUNTY ROAD AGENCY OR CITY OR VILLAGE THAT IS RESPON-
20 SIBLE FOR THE CONSTRUCTION OR MAINTENANCE OF PUBLIC ROADS WITHIN
21 THE STATE UNDER THIS ACT.

22 (I) "MULTIYEAR PROGRAM" MEANS A COMPILATION OF ROAD AND
23 BRIDGE PROJECTS ANTICIPATED TO BE CONTRACTED FOR BY THE DEPART-
24 MENT OR A LOCAL ROAD AGENCY DURING A 3-YEAR PERIOD.

25 (J) "STATE PLANNING AND DEVELOPMENT REGIONS" MEANS THOSE
26 AGENCIES REQUIRED BY SECTION 134(b) OF TITLE 23 OF THE UNITED

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1 STATES CODE, 23 U.S.C. 134, AND THOSE AGENCIES ESTABLISHED BY
2 EXECUTIVE DIRECTIVE 1968-1.

3 (2) IN ORDER TO PROVIDE A COORDINATED, UNIFIED EFFORT BY THE
4 VARIOUS ROADWAY AGENCIES WITHIN THE STATE, THE TRANSPORTATION
5 ASSET MANAGEMENT COUNCIL IS HEREBY CREATED WITHIN THE STATE
6 TRANSPORTATION COMMISSION AND IS CHARGED WITH ADVISING THE COM-
7 MISSION ON A STATEWIDE ASSET MANAGEMENT STRATEGY AND THE PRO-
8 CESSES AND NECESSARY TOOLS NEEDED TO IMPLEMENT SUCH A STRATEGY
9 BEGINNING WITH THE FEDERAL-AID ELIGIBLE HIGHWAY SYSTEM, AND ONCE
10 COMPLETED, CONTINUING ON WITH THE COUNTY ROAD AND MUNICIPAL SYS-
11 TEMS, IN A COST-EFFECTIVE, EFFICIENT MANNER. NOTHING IN THIS
12 SECTION SHALL PROHIBIT A LOCAL ROAD AGENCY FROM USING AN ASSET
13 MANAGEMENT PROCESS ON ITS NON-FEDERAL-AID ELIGIBLE SYSTEM. THE
14 COUNCIL SHALL CONSIST OF 10 VOTING MEMBERS APPOINTED BY THE STATE
15 TRANSPORTATION COMMISSION. THE COUNCIL SHALL INCLUDE 2 MEMBERS
16 FROM THE COUNTY ROAD ASSOCIATION OF MICHIGAN, 2 MEMBERS FROM THE
17 MICHIGAN MUNICIPAL LEAGUE, 2 MEMBERS FROM THE STATE PLANNING AND
18 DEVELOPMENT REGIONS, 1 MEMBER FROM THE MICHIGAN TOWNSHIPS ASSOCI-
19 ATION, 1 MEMBER FROM THE MICHIGAN ASSOCIATION OF COUNTIES, AND 2
20 MEMBERS FROM THE DEPARTMENT. NONVOTING MEMBERS SHALL INCLUDE
21 1 PERSON FROM THE AGENCY OR OFFICE SELECTED AS THE LOCATION FOR
22 CENTRAL DATA STORAGE. EACH AGENCY WITH VOTING RIGHTS SHALL
23 SUBMIT A LIST OF 2 NOMINEES TO THE STATE TRANSPORTATION COMMIS-
24 SION FROM WHICH THE APPOINTMENTS SHALL BE MADE. THE MICHIGAN
25 TOWNSHIPS ASSOCIATION SHALL SUBMIT 1 NAME, AND THE MICHIGAN ASSO-
26 CIATION OF COUNTIES SHALL SUBMIT 1 NAME. NAMES SHALL BE
27 SUBMITTED WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE 2002

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1 AMENDATORY ACT THAT AMENDED THIS SECTION. THE STATE
2 TRANSPORTATION COMMISSION SHALL MAKE THE APPOINTMENTS WITHIN 30
3 DAYS AFTER RECEIPT OF THE LISTS.

4 (3) THE POSITIONS FOR THE DEPARTMENT SHALL BE PERMANENT.
5 THE POSITION OF THE CENTRAL DATA STORAGE AGENCY SHALL BE NONVOT-
6 ING AND SHALL BE FOR AS LONG AS THE AGENCY CONTINUES TO SERVE AS
7 THE DATA STORAGE REPOSITORY. THE MEMBER FROM THE MICHIGAN ASSO-
8 CIATION OF COUNTIES SHALL BE INITIALLY APPOINTED FOR 2 YEARS.
9 THE MEMBER FROM THE MICHIGAN TOWNSHIPS ASSOCIATION SHALL BE INI-
10 Tially APPOINTED FOR 3 YEARS. OF THE MEMBERS FIRST APPOINTED
11 FROM THE COUNTY ROAD ASSOCIATION OF MICHIGAN, THE MICHIGAN MUNIC-
12 IPAL LEAGUE, AND THE STATE PLANNING AND DEVELOPMENT REGIONS, 1
13 MEMBER OF EACH GROUP SHALL BE APPOINTED FOR 2 YEARS AND 1 MEMBER
14 OF EACH GROUP SHALL BE APPOINTED FOR 3 YEARS. AT THE END OF THE
15 INITIAL APPOINTMENT, ALL TERMS SHALL BE FOR 3 YEARS. THE CHAIR-
16 PERSON SHALL BE SELECTED FROM AMONG THE VOTING MEMBERS OF THE
17 COUNCIL.

18 (4) THE DEPARTMENT SHALL PROVIDE QUALIFIED ADMINISTRATIVE
19 STAFF AND THE STATE PLANNING AND DEVELOPMENT REGIONS SHALL PRO-
20 VIDE QUALIFIED TECHNICAL ASSISTANCE TO THE COUNCIL.

21 (5) THE COUNCIL SHALL DEVELOP AND PRESENT TO THE STATE
22 TRANSPORTATION COMMISSION FOR APPROVAL WITHIN 90 DAYS AFTER THE
23 DATE OF THE FIRST MEETING SUCH PROCEDURES AND REQUIREMENTS AS ARE
24 NECESSARY FOR THE ADMINISTRATION OF THE ASSET MANAGEMENT
25 PROCESS. THIS SHALL, AT A MINIMUM, INCLUDE THE AREAS OF TRAIN-
26 ING, DATA STORAGE AND COLLECTION, REPORTING, DEVELOPMENT OF A
27 MULTIYEAR PROGRAM, BUDGETING AND FUNDING, AND OTHER ISSUES

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1 RELATED TO ASSET MANAGEMENT THAT MAY ARISE FROM TIME TO TIME.
2 ALL QUALITY CONTROL STANDARDS AND PROTOCOLS SHALL, AT A MINIMUM,
3 BE CONSISTENT WITH ANY EXISTING FEDERAL REQUIREMENTS AND REGULA-
4 TIONS AND EXISTING GOVERNMENT ACCOUNTING STANDARDS.

5 (6) THE COUNCIL MAY APPOINT A TECHNICAL ADVISORY PANEL WHOSE
6 MEMBERS SHALL BE REPRESENTATIVES FROM THE TRANSPORTATION CON-
7 STRUCTION ASSOCIATIONS AND RELATED TRANSPORTATION ROAD
8 INTERESTS. THE ASSET MANAGEMENT COUNCIL SHALL SELECT MEMBERS TO
9 THE TECHNICAL ADVISORY PANEL FROM NAMES SUBMITTED BY THE TRANS-
10 PORTATION CONSTRUCTION ASSOCIATIONS AND RELATED TRANSPORTATION
11 ROAD INTERESTS. THE TECHNICAL ADVISORY PANEL MEMBERS SHALL BE
12 APPOINTED FOR 3 YEARS. THE ASSET MANAGEMENT COUNCIL SHALL DETER-
13 MINE THE RESEARCH ISSUES AND ASSIGN PROJECTS TO THE TECHNICAL
14 ADVISORY PANEL TO ASSIST IN THE DEVELOPMENT OF STATEWIDE
15 POLICIES. THE TECHNICAL ADVISORY PANEL'S RECOMMENDATIONS SHALL
16 BE ADVISORY ONLY AND NOT BINDING ON THE ASSET MANAGEMENT
17 COUNCIL.

18 (7) BEGINNING OCTOBER 1, 2003, THE DEPARTMENT, EACH COUNTY
19 ROAD COMMISSION, AND EACH CITY AND VILLAGE OF THIS STATE SHALL
20 ANNUALLY PREPARE AND PUBLISH A MULTIYEAR PROGRAM, BASED ON
21 LONG-RANGE PLANS, AND DEVELOPED THROUGH THE USE OF THE ASSET MAN-
22 AGEMENT PROCESS DESCRIBED IN THIS SECTION. PROJECTS CONTAINED IN
23 EACH LOCAL ROAD AGENCY'S ANNUAL MULTIYEAR PROGRAM SHALL BE CON-
24 SISTENT WITH THE GOALS AND OBJECTIVES OF THE LOCAL ROAD AGENCY'S
25 LONG-RANGE PLAN. A PROJECT, FUNDED IN WHOLE OR PART, WITH STATE
26 OR FEDERAL FUNDS, SHALL BE INCLUDED IN ANY LOCAL ROAD AGENCY'S
27 MULTIYEAR PLAN.

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1 (8) FUNDING NECESSARY TO SUPPORT THE ACTIVITIES DESCRIBED IN
2 THIS SECTION SHALL BE PROVIDED BY AN ANNUAL APPROPRIATION FROM
3 THE MICHIGAN TRANSPORTATION FUND TO THE STATE TRANSPORTATION
4 COMMISSION.

5 (9) THE DEPARTMENT AND EACH LOCAL ROAD AGENCY SHALL KEEP
6 ACCURATE AND UNIFORM RECORDS ON ALL ROAD AND BRIDGE WORK PER-
7 FORMED AND FUNDS EXPENDED FOR THE PURPOSES OF THIS SECTION,
8 ACCORDING TO THE PROCEDURES DEVELOPED BY THE COUNCIL. EACH LOCAL
9 ROAD AGENCY AND THE DEPARTMENT SHALL ANNUALLY REPORT TO THE COUN-
10 CIL THE MILEAGE AND CONDITION OF THE ROAD AND BRIDGE SYSTEM UNDER
11 THEIR JURISDICTION AND THE RECEIPTS AND DISBURSEMENTS OF ROAD AND
12 STREET FUNDS IN THE MANNER PRESCRIBED BY THE COUNCIL, WHICH SHALL
13 BE CONSISTENT WITH ANY CURRENT ACCOUNTING PROCEDURES. AN ANNUAL
14 REPORT SHALL BE PREPARED BY THE STAFF ASSIGNED TO THE COUNCIL
15 REGARDING THE RESULTS OF ACTIVITIES CONDUCTED DURING THE PRECED-
16 ING YEAR AND THE EXPENDITURE OF FUNDS RELATED TO THE PROCESSES
17 AND ACTIVITIES IDENTIFIED BY THE COUNCIL. THE REPORT SHALL ALSO
18 INCLUDE AN OVERVIEW OF THE ACTIVITIES IDENTIFIED FOR THE SUCCEED-
19 ING YEAR. THE COUNCIL SHALL SUBMIT THIS REPORT TO THE STATE
20 TRANSPORTATION COMMISSION, THE LEGISLATURE, AND THE TRANSPORTA-
21 TION COMMITTEES OF THE HOUSE AND SENATE BY MAY 2 OF EACH YEAR.