

**SUBSTITUTE FOR  
SENATE BILL NO. 239**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2002; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

PART 1

2

LINE-ITEM APPROPRIATIONS

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

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amounts listed in this part are appropriated for the state transportation

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department and certain state purposes designated in this act for the

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fiscal year ending September 30, 2002, from the funds indicated in this

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part. The following is a summary of the appropriations in this part:

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For Fiscal Year Ending  
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**1 DEPARTMENT OF TRANSPORTATION**

**2 APPROPRIATION SUMMARY:**

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	3,177.3	
5	GROSS APPROPRIATION.....	\$	3,151,596,300
6	Interdepartmental grant revenues:		
7	IDT, intradepartmental charges.....		11,459,500
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		11,459,500
10	ADJUSTED GROSS APPROPRIATION.....	\$	3,140,136,800
11	Federal revenues:		
12	DOT, federal transit act.....		52,400,000
13	DOT-FHWA, highway research, planning, and		
14	construction.....		928,583,900
15	DOT-FRA, local rail service assistance.....		500,000
16	DOT-FRA, rail passenger/HSGT.....		3,000,000
17	Total federal revenues.....		984,483,900
18	Special revenue funds:		
19	Local funds.....		5,800,000
20	Total local revenues.....		5,800,000
21	Total private revenues.....		0
22	Michigan transportation fund.....		1,061,581,300
23	Blue Water Bridge fund.....		17,625,800
24	Economic development fund.....		57,275,000
25	State trunkline fund.....		754,067,400
26	State aeronautics fund.....		9,298,500

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1	Comprehensive transportation fund.....	244,004,900
2	Intercity bus equipment fund.....	1,000,000
3	Rail preservation fund.....	2,000,000
4	Total other state restricted revenues.....	2,146,852,900
5	State general fund/general purpose..... \$	3,000,000
6	<b>Sec. 102. DEBT SERVICE</b>	
7	State trunkline..... \$	80,901,700
8	Trunkline bonds, series 1989A-EDF (\$100,000,000).....	13,607,100
9	Critical bridge.....	3,000,000
10	Blue Water Bridge.....	2,309,400
11	Comprehensive transportation.....	<u>21,798,600</u>
12	GROSS APPROPRIATION..... \$	121,616,800
13	Appropriated from:	
14	Federal revenues:	
15	DOT-FHWA, highway research, planning, and	
16	construction.....	10,000,000
17	Special revenue funds:	
18	Blue Water Bridge fund.....	2,309,400
19	Comprehensive transportation fund.....	21,798,600
20	Economic development fund.....	13,607,100
21	Michigan transportation fund.....	3,000,000
22	State trunkline fund.....	70,901,700
23	State general fund/general purpose..... \$	0
24	<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>	
25	Michigan transportation fund (MTF)	
26	MTF grant to department of environmental quality..... \$	885,300

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1	MTF grant to department of state.....	55,814,100
2	MTF grant to legislative auditor general.....	108,900
3	State trunkline fund (STF)	
4	STF grant to department of attorney general.....	2,524,300
5	STF grant to department of civil service.....	1,430,000
6	STF grant to department of management and budget.....	1,057,000
7	STF grant to department of state police.....	8,210,700
8	STF grant to department of treasury.....	29,100
9	STF grant to legislative auditor general.....	314,200
10	State aeronautics fund (SAF)	
11	SAF grant to department of attorney general.....	123,600
12	SAF grant to department of civil service.....	75,000
13	SAF grant to department of environmental quality.....	40,000
14	SAF grant to department of management and budget.....	30,500
15	SAF grant to department of treasury.....	64,100
16	SAF grant to legislative auditor general.....	31,100
17	Comprehensive transportation fund (CTF)	
18	CTF grant to department of attorney general.....	129,400
19	CTF grant to department of civil service.....	115,000
20	CTF grant to department of management and budget.....	57,000
21	CTF grant to department of treasury.....	5,300
22	CTF grant to legislative auditor general.....	<u>47,600</u>
23	GROSS APPROPRIATION.....	\$ 71,092,200
24	Appropriated from:	
25	Special revenue funds:	
26	Comprehensive transportation fund.....	354,300

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1	Michigan transportation fund.....	56,808,300
2	State aeronautics fund.....	364,300
3	State trunkline fund.....	13,565,300
4	State general fund/general purpose..... \$	0
5	<b>Sec. 104. EXECUTIVE DIRECTION</b>	
6	Full-time equated unclassified positions.....6.0	
7	Full-time equated classified positions.....33.3	
8	Unclassified salaries..... \$	521,800
9	State transportation commission (per diem payments)..	10,000
10	Commission audit--33.3 FTE positions.....	<u>2,982,600</u>
11	GROSS APPROPRIATION..... \$	3,514,400
12	Appropriated from:	
13	Special revenue funds:	
14	State trunkline fund.....	3,514,400
15	State general fund/general purpose..... \$	0
16	<b>Sec. 105. ADMINISTRATIVE SERVICES</b>	
17	Full-time equated classified positions.....144.7	
18	Administration and data center--108.7 FTE positions.. \$	27,817,500
19	Property management.....	6,406,500
20	Human resources--31.0 FTE positions.....	2,478,600
21	Economic development administration--5.0 FTE	
22	positions.....	500,700
23	Worker's compensation.....	<u>2,712,000</u>
24	GROSS APPROPRIATION..... \$	39,915,300
25	Appropriated from:	
26	Special revenue funds:	

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1	Economic development fund.....	537,800
2	State aeronautics fund.....	687,100
3	Comprehensive transportation fund.....	1,182,700
4	Michigan transportation fund.....	70,800
5	State trunkline fund.....	37,436,900
6	State general fund/general purpose..... \$	0
7	<b>Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION</b>	
8	Full-time equated classified positions.....254.5	
9	Administration--254.5 FTE positions..... \$	<u>21,032,400</u>
10	GROSS APPROPRIATION..... \$	21,032,400
11	Appropriated from:	
12	Special revenue funds:	
13	Michigan transportation fund.....	1,115,300
14	State trunkline fund.....	19,917,100
15	State general fund/general purpose..... \$	0
16	<b>Sec. 107. BUREAU OF TRANSPORTATION PLANNING</b>	
17	Full-time equated classified positions.....188.1	
18	Administration--188.1 FTE positions..... \$	28,943,800
19	Grants to regional planning councils.....	<u>488,800</u>
20	GROSS APPROPRIATION..... \$	29,432,600
21	Appropriated from:	
22	Federal revenues:	
23	DOT-FHWA, highway research, planning, and	
24	construction.....	16,800,000
25	Special revenue funds:	
26	State aeronautics fund.....	321,900

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1	Comprehensive transportation fund.....	2,024,900
2	Michigan transportation fund.....	5,840,700
3	State trunkline fund.....	4,445,100
4	State general fund/general purpose..... \$	0
5	<b>Sec. 108. BUREAU OF HIGHWAYS</b>	
6	Full-time equated classified positions.....	1,654.2
7	Engineering operations--824.1 FTE positions..... \$	35,251,400
8	Maintenance operations--77.0 FTE positions.....	7,034,300
9	Program services--753.1 FTE positions.....	<u>38,498,400</u>
10	GROSS APPROPRIATION..... \$	80,784,100
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDT, intradepartmental charges.....	207,500
14	Federal revenues:	
15	DOT-FHWA, highway research, planning, and	
16	construction.....	5,000,000
17	Special revenue funds:	
18	Michigan transportation fund.....	4,089,500
19	State trunkline fund.....	71,487,100
20	State general fund/general purpose..... \$	0
21	<b>Sec. 109. HIGHWAY MAINTENANCE</b>	
22	Full-time equated classified positions.....	704.0
23	State trunkline operations--704.0 FTE positions..... \$	108,434,300
24	Contract operations.....	<u>129,720,700</u>
25	GROSS APPROPRIATION..... \$	238,155,000
26	Appropriated from:	

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1	Interdepartmental grant revenues:	
2	IDT, intradepartmental charges.....	11,252,000
3	Special revenue funds:	
4	State trunkline fund.....	226,903,000
5	State general fund/general purpose..... \$	0
6	<b>Sec. 110. ROAD AND BRIDGE PROGRAMS</b>	
7	State trunkline federal aid and road and bridge	
8	construction..... \$	979,819,000
9	Local federal aid and road and bridge construction...	231,111,700
10	University road improvement program.....	1,000,000
11	Grants to local programs.....	33,000,000
12	Rail grade crossing.....	3,000,000
13	Critical bridge program.....	5,750,000
14	County road commissions.....	611,548,700
15	Cities and villages.....	<u>339,293,100</u>
16	GROSS APPROPRIATION..... \$	2,204,522,500
17	Appropriated from:	
18	Federal revenues:	
19	DOT-FHWA, highway research, planning, and	
20	construction.....	896,783,900
21	Special revenue funds:	
22	Local funds.....	5,000,000
23	Blue Water Bridge fund.....	5,000,000
24	Michigan transportation fund.....	988,841,800
25	State trunkline fund.....	305,896,800
26	State general fund/general purpose..... \$	3,000,000



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1	<b>Sec. 111. BLUE WATER BRIDGE</b>		
2	Full-time equated classified positions.....	34.0	
3	Blue Water Bridge fund operations--34.0 FTE positions \$		<u>10,316,400</u>
4	GROSS APPROPRIATION.....	\$	10,316,400
5	Appropriated from:		
6	Special revenue funds:		
7	Blue Water Bridge fund.....		10,316,400
8	State general fund/general purpose.....	\$	0
9	<b>Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>		
10	Forest roads.....	\$	5,000,000
11	Rural county urban system.....		2,500,000
12	Target industries/economic redevelopment.....		16,065,100
13	Urban county congestion.....		9,782,500
14	Rural county primary.....		<u>9,782,500</u>
15	GROSS APPROPRIATION.....	\$	43,130,100
16	Appropriated from:		
17	Special revenue funds:		
18	Economic development fund.....		43,130,100
19	State general fund/general purpose.....	\$	0
20	<b>Sec. 113. BUREAU OF AERONAUTICS</b>		
21	Full-time equated classified positions.....	58.0	
22	Administration--58.0 FTE positions.....	\$	6,925,200
23	Air service program.....		<u>1,000,000</u>
24	GROSS APPROPRIATION.....	\$	7,925,200
25	Appropriated from:		
26	Special revenue funds:		

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1	State aeronautics fund.....	7,925,200
2	State general fund/general purpose..... \$	0
3	<b>Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION</b>	
4	Full-time equated classified positions.....106.5	
5	Administration--106.5 FTE positions..... \$	<u>8,878,500</u>
6	GROSS APPROPRIATION..... \$	8,878,500
7	Appropriated from:	
8	Special revenue funds:	
9	Comprehensive transportation fund.....	7,063,600
10	Michigan transportation fund.....	1,814,900
11	State general fund/general purpose..... \$	0
12	<b>Sec. 115. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>	
13	Local bus operating..... \$	153,799,800
14	Local bus operating: unreserved CTF fund balance....	10,000,000
15	Nonurban operating/capital.....	<u>8,900,000</u>
16	GROSS APPROPRIATION..... \$	172,699,800
17	Appropriated from:	
18	Federal revenues:	
19	DOT, federal transit act.....	8,700,000
20	Special revenue funds:	
21	Local funds.....	200,000
22	Comprehensive transportation fund.....	163,799,800
23	State general fund/general purpose..... \$	0
24	<b>Sec. 116. INTERCITY PASSENGER AND FREIGHT</b>	
25	Freight property management..... \$	1,893,300
26	Detroit/Wayne County port authority.....	500,000

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1	Intercity bus equipment.....	3,000,000
2	Rail passenger service.....	10,000,000
3	Freight preservation and development.....	6,736,500
4	Rail infrastructure loan program.....	800,000
5	Intercity bus service development.....	2,750,000
6	Marine passenger services.....	800,000
7	Terminal development.....	<u>1,628,300</u>
8	GROSS APPROPRIATION.....	\$ 28,108,100
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal transit act.....	1,400,000
12	DOT-FRA, local rail service assistance.....	500,000
13	DOT-FRA, rail passenger/HSGT.....	3,000,000
14	Special revenue funds:	
15	Local funds.....	50,000
16	Rail preservation fund.....	2,000,000
17	Intercity bus equipment fund.....	1,000,000
18	Comprehensive transportation fund.....	20,158,100
19	State general fund/general purpose.....	\$ 0
20	<b>Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
21	Specialized services.....	\$ 3,827,800
22	Municipal credit program.....	2,000,000
23	Bus capital.....	56,074,400
24	Ride sharing.....	330,700
25	Van pooling.....	195,000
26	Bus property management.....	100,000

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1	Service development and new technology.....	1,675,000
2	Planning grants.....	120,000
3	Audit settlements.....	150,000
4	Region service coordination.....	1,000,000
5	Work first initiative.....	<u>5,000,000</u>
6	GROSS APPROPRIATION..... \$	70,472,900
7	Appropriated from:	
8	Federal revenues:	
9	DOT, federal transit act.....	42,300,000
10	Special revenue funds:	
11	Local funds.....	550,000
12	Comprehensive transportation fund.....	27,622,900
13	State general fund/general purpose..... \$	0

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15

16 PART 2

17 PROVISIONS CONCERNING APPROPRIATIONS

18 **GENERAL SECTIONS**

19 Sec. 201. Pursuant to section 30 of article IX of the state consti-  
20 tution of 1963, total state spending from state resources under part 1  
21 for fiscal year 2001-2002 is \$2,149,852,900.00 and state spending from  
22 state resources to be paid to local units of government for fiscal year  
23 2001-2002 is \$1,199,598,300.00. The itemized statement below identifies  
24 appropriations from which spending to units of local government will  
25 occur:

26 DEPARTMENT OF TRANSPORTATION

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1	Local grant program.....	\$	33,000,000
2	Economic development fund.....		23,565,000
3	Grants to cities and villages.....		339,293,100
4	Grants to county road commissions.....		611,548,700
5	Critical bridge program.....		5,750,000
6	Grants to regional planning councils.....		488,800
7	Local bus operating.....		153,799,800
8	Local bus operating: unreserved CTF fund balance....		10,000,000
9	Bus capital.....		14,574,400
10	Marine passenger service.....		800,000
11	Detroit/Wayne County port authority.....		500,000
12	Local ride sharing operating grants.....		330,700
13	Planning grants.....		120,000
14	Municipal credit program.....		2,000,000
15	Specialized services.....		<u>3,827,800</u>
16	Total payments to local units of government.....	\$	1,199,598,300

17       Sec. 202. The appropriations authorized under this act are subject  
18 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

19       Sec. 203. As used in this act:

- 20       (a) "CTF" means comprehensive transportation fund.
- 21       (b) "Department" means the department of transportation.
- 22       (c) "DOT" means the United States department of transportation.
- 23       (d) "DOT-FHWA" means DOT, federal highway administration.
- 24       (e) "DOT-FRA" means DOT, federal railroad administration.
- 25       (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad  
26 administration, high-speed ground transportation.

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1 (g) "EDF" means economic development fund.

2 (h) "FTE" means full-time equated.

3 (i) "IDT" means intradepartmental transfer.

4 (j) "MTF" means Michigan transportation fund.

5 (k) "RIF" means recreation improvement fund.

6 (l) "SAF" means state aeronautics fund.

7 (m) "STF" means state trunkline fund.

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

13 Sec. 205. (1) A hiring freeze is imposed on the state classified  
14 civil service. State departments and agencies are prohibited from hiring  
15 any new full-time state classified civil service employees and prohibited  
16 from filling any vacant state classified civil service positions. This  
17 hiring freeze does not apply to internal transfers of classified employ-  
18 ees from 1 position to another within a department.

19 (2) The state budget director shall grant exceptions to this hiring  
20 freeze when the state budget director believes that the hiring freeze  
21 will result in rendering a state department or agency unable to deliver  
22 basic services, causes loss of revenue to the state, would result in the  
23 inability of the state to receive federal funds, or would necessitate  
24 additional expenditures that exceed any savings from maintaining a  
25 vacancy. The state budget director shall report by the thirtieth of each  
26 month to the chairpersons of the senate and house of representatives  
27 standing committees on appropriations the number of exceptions to the

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1 hiring freeze approved during the previous month and the reasons to  
2 justify the exception.

3       Sec. 206. (1) In addition to the funds appropriated in part 1,  
4 there is appropriated an amount not to exceed \$100,000,000.00 for federal  
5 contingency funds. These funds are not available for expenditure until  
6 they have been transferred to another line item in this act pursuant to  
7 section 393(2) of the management and budget act, 1984 PA 431,  
8 MCL 18.1393.

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

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

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

24       Sec. 208. Unless otherwise specified, the department shall use the  
25 Internet to fulfill the reporting requirements of this act. This may  
26 include transmission of reports via electronic mail to the recipients  
27 identified for each reporting requirement or it may include placement of

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1 reports on an Internet or Intranet site. Quarterly, the department shall  
2 provide to the senate and house appropriations subcommittees, the state  
3 budget office, and the senate and house fiscal agencies an electronic and  
4 paper copy listing of the reports submitted during the most recent  
5 3-month period along with the Internet or Intranet site of each report,  
6 if any.

7       Sec. 209. Funds appropriated in part 1 shall not be used for the  
8 purchase of foreign goods or services, or both, if competitively priced  
9 and of comparable quality American goods or services, or both, are  
10 available.

11       Sec. 210. The director of each department receiving appropriations  
12 in part 1 shall take all reasonable steps to ensure businesses in  
13 deprived and depressed communities compete for and perform contracts to  
14 provide services or supplies, or both. Each director shall strongly  
15 encourage firms with which the department contracts to subcontract with  
16 certified businesses in depressed and deprived communities for services,  
17 supplies, or both.

18       Sec. 211. The departments and state agencies receiving appropria-  
19 tions under this act shall receive and retain copies of all reports  
20 funded from appropriations in part 1. These departments and state agen-  
21 cies shall follow federal and state guidelines for short-term and  
22 long-term retention of these reports and records.



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**1 DEPARTMENTAL SECTIONS**

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

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

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

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

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

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

6       Sec. 306. From the funds appropriated in part 1, the auditor gen-  
7 eral shall conduct an audit of charges to transportation funds by state  
8 departments. The auditor general shall prepare a detailed report, with  
9 recommendations and conclusions, including a list of services charged to  
10 transportation funds, the appropriateness of those charges, and the cost  
11 allocation methodologies used in determining the level of funding, and  
12 provide the report, upon request, to any member of the senate and house  
13 of representatives and to the senate and house fiscal agencies by March  
14 1, 2002.

15       Sec. 307. Before February 1 of each year, the department will pro-  
16 vide to the legislature, the state budget office, and the house and  
17 senate fiscal agencies its rolling 5-year plan listing by county or by  
18 county road commission all highway construction projects for the fiscal  
19 year and all expected projects for the ensuing fiscal years.

20       Sec. 308. The department and local road agencies that receive  
21 appropriations under this act shall pursue compliance with contract spec-  
22 ifications for construction and maintenance of state highways and local  
23 roads and streets. Work shall not be accepted and paid for until it com-  
24 plies with contract requirements. Contractors with unsatisfactory per-  
25 formance ratings shall be restricted from future bidding through the pre-  
26 qualification process established by the department or a local road  
27 agency. The department, county road commissions, and cities and villages

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1 shall report to the house of representatives and senate appropriations  
2 subcommittees on transportation on their respective activities under this  
3 section.

4       Sec. 309. The department shall continue its efforts to reduce  
5 administrative costs and provide the maximum funding possible for con-  
6 struction projects.

7       Sec. 310. The department shall provide in a timely manner copies of  
8 the agenda and approved minutes of monthly transportation commission  
9 meetings to the members of the house and senate appropriations subcommit-  
10 tees on transportation, the house and senate fiscal agencies, and the  
11 state budget director.

12       Sec. 311. The department shall not use funds appropriated under  
13 part 1 on behalf of a local governmental unit to pay the amount required  
14 for that local governmental unit to participate in the federal advance  
15 construct program.

16       Sec. 312. At the close of the fiscal year ending September 30,  
17 2002, any unencumbered and unexpended balance in the state trunkline fund  
18 shall remain in the state trunkline fund and shall carry forward and be  
19 appropriated for federal aid road and bridge programs for projects con-  
20 tained in the annual state transportation program.

21       Sec. 313. (1) From funds appropriated in part 1, the department may  
22 increase a state infrastructure bank program and grant or loan funds in  
23 accordance with regulations of the state infrastructure bank program of  
24 the United States department of transportation. The state infrastructure  
25 bank is to be administered by the department for the purpose of providing  
26 a revolving, self-sustaining resource for financing transportation  
27 infrastructure projects.

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

10       Sec. 314. The department shall provide a report prepared by the  
11 department's internal auditor on the activities of the internal auditor  
12 for the prior fiscal year. This report shall include a listing of each  
13 audit or investigation performed by the internal auditor pursuant to sec-  
14 tions 486(4) and 487 of the management and budget act, 1984 PA 431,  
15 MCL 18.1486 and 18.1487. The report shall identify the proportion of  
16 time spent on each of the statutory responsibilities listed in sections  
17 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431,  
18 MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activ-  
19 ities performed in the internal audit function. The report shall be due  
20 biennially beginning on May 1, 2001 and shall be submitted to the gover-  
21 nor, auditor general, the senate and house of representatives appropria-  
22 tions committees, the senate and house fiscal agencies, and the  
23 director.

24       Sec. 315. The department shall expeditiously pursue the adoption of  
25 standard English units of weight and measure on all road and bridge con-  
26 struction, maintenance, and improvement projects.

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1       Sec. 316. The department shall work with the federal government  
2 regarding the development of I-73 connecting south-central Michigan with  
3 Ohio.

4       Sec. 317. Funds appropriated in section 104 for state transporta-  
5 tion commission per diem payments shall provide daily per diem payments  
6 of \$100.00 to each of the 6 appointed members of the state transportation  
7 commission for all scheduled state transportation commission meetings.

8       Sec. 318. The department shall continue its program to increase the  
9 use of women and minority owned businesses in state and local road con-  
10 struction projects. This program shall comprise, at a minimum, outreach  
11 and education efforts to inform women and minority owned firms of depart-  
12 ment competitive bidding processes and requirements, and an assessment of  
13 the availability of surety for women and minority owned businesses. The  
14 department shall report by March 31, 2002 to the house of representatives  
15 and senate appropriations subcommittees on transportation and the house  
16 and senate fiscal agencies of its progress in complying with this  
17 section.

18       Sec. 319. The department shall post signs at each rest area to  
19 identify the agency or contractor responsible for maintenance of the rest  
20 area. The signs shall include a department telephone number and shall  
21 indicate that unsafe or unclean conditions at the rest area may be  
22 reported to that telephone number.

23       Sec. 320. With regard to interdepartmental contracts between the  
24 department and the attorney general, the department shall determine how  
25 much time the attorney general spends on services financed with transpor-  
26 tation funds. The determination shall include a breakdown of the  
27 following:

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1       (a) The time spent by the attorney general on activities which are  
2 general in nature and which are of benefit to all transportation programs  
3 or which cannot be readily identified with specific transportation  
4 programs.

5       (b) The time spent by the attorney general on activities which are  
6 of specific benefit to state trunkline programs, local road agency pro-  
7 grams, public transportation programs, and aeronautics programs,  
8 respectively.

9       Sec. 321. The department, in collaboration with the Detroit depart-  
10 ment of transportation, the suburban mobility authority for regional  
11 transportation, and intercity bus carriers, shall facilitate the planning  
12 of a multimodal transportation center for southeast Michigan.

13       Sec. 322. Not later than January 1, 2002, the department shall fill  
14 all vacant bridge inspector positions. Not later than February 15, 2002,  
15 the department shall report to the senate and house of representatives  
16 appropriations subcommittees on transportation the number of full-time  
17 and part-time positions assigned to bridge inspection activities, the  
18 number of vacancies, and any plans to fill the vacancies.

19       Sec. 324. From the funds appropriated in part 1, up to  
20 \$1,500,000.00 from the state trunkline fund shall be provided to county  
21 sheriffs and other law enforcement agencies for enhanced construction  
22 zone traffic law enforcement. However, not more than \$500,000.00 of this  
23 \$1,500,000.00 shall be provided to the department of state police. The  
24 funding shall be provided based on approved memoranda of understanding  
25 between the department and county sheriffs and other law enforcement  
26 agencies.

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23

1       Sec. 325. (1) Funds from the countercyclical budget and economic  
2 stabilization fund and from streamlining diesel fuel tax collection  
3 deposited in the state trunkline fund and intended for the build Michigan  
4 III program at the close of the fiscal year shall remain in the state  
5 trunkline fund and shall carry forward and be available for appropriation  
6 for debt service payments and construction costs associated with the  
7 build Michigan III program.

8       (2) The appropriation in part 1 for state trunkline debt service  
9 includes \$35,000,000.00 appropriated and transferred to the state trunk-  
10 line fund from the countercyclical budget and economic stabilization fund  
11 under section 358(3) of the management and budget act, 1984 PA 431,  
12 MCL 18.1358.

13       Sec. 326. It is the intent of the legislature to review, prior to  
14 bonding, all previously unidentified build Michigan III funding alloca-  
15 tions identified by the department to be supported by bond proceeds. Not  
16 later than October 31, 2001, the department shall report to the senate  
17 and house of representatives appropriations subcommittees on transporta-  
18 tion and the senate and house fiscal agencies the following information  
19 regarding those previously unidentified build Michigan III funding allo-  
20 cations identified by the department:

21       (a) Project description.

22       (b) Estimated total project costs.

23       (c) The amount of total estimated project costs funded from build  
24 Michigan III bond proceeds.

25       (d) The amount of local match, if any.

      (e) The life-cycle cost analysis required under section 1h of 1951 PA  
51, MCL 247.651h.

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4       Sec. 328. The department shall issue a preliminary list of those  
5 bridges that are scheduled to receive federal bridge funds under the  
6 critical bridge program and shall notify those local communities and road  
7 agencies by December 31, 2001. The department shall issue a final list  
8 of those bridges that are scheduled to receive federal bridge funds under  
9 the critical bridge program and shall notify those local communities and  
10 road agencies scheduled to receive federal bridge funding under the crit-  
11 ical bridge program no later than February 3, 2002.

12       Sec. 329. It is the intent of the legislature that the debt service  
13 costs on transportation economic development fund bonds issued after  
14 January 1, 2001 shall be paid entirely from the funds designated for tar-  
15 geted industries projects, as described in section 11(3)(a) of 1987 PA  
16 231, MCL 247.911.

      Sec. 330. The department shall not expend any funds appropriated  
in part 1 to participate in a study of taxation of persons based on the  
amount of mileage driven in this state as a method of taxation imposed on  
persons for the privilege of using the public roads and highways of this  
state.

      Sec. 331. From the funds appropriated in part 1, the department  
shall conduct a study of rail grade separation needs in the state. The  
study shall include input from private railroad carriers, local units of  
government, and local road agencies. From the study findings, the  
department shall develop a priority list of grade separation projects in  
the state. At a minimum, the project list shall consider safety  
enhancements, local participation, and the cost of each project on the  
list. The department shall report on the study findings and the priority  
list of grade separation projects to the senate and house appropriations  
subcommittees on transportation and the senate and house fiscal agencies  
by April 1, 2002.

17 **FEDERAL**

18       Sec. 401. When the department receives authorization from the fed-  
19 eral government to commit transportation funds pursuant to federal appro-  
20 priations, it shall present to the senate and house of representatives  
21 appropriations transportation subcommittees and the senate and house  
22 fiscal agencies, the federal amounts and categories authorized and the  
23 department's recommendation for distribution of these funds. If a recom-  
24 mendation or recommendations are not disapproved within 30 business days  
25 by either the senate or house of representatives appropriations



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1 transportation subcommittees, then the recommendation or recommendations  
2 shall be considered as approved. If either the senate or house of repre-  
3 sentatives appropriations transportation subcommittee disapproves the  
4 proposed distribution, then the senate and house of representatives  
5 appropriations transportation subcommittees and the department shall hold  
6 a joint meeting on the issue to arrive at a final distribution. If no  
7 agreement is reached between the parties, the department's distribution  
8 shall stand.

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

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

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

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

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

26       (4) Federal aid to highways allocated to local jurisdictions in  
27 subsection (1) shall be distributed in a manner that produces a 25%

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1 average allocation of applicable funds to programs for local  
2 jurisdictions in each fiscal year through the fiscal year ending  
3 September 30, 2005. The average allocation of applicable federal aid to  
4 highway funds to programs for local jurisdictions shall be the average of  
5 the amount distributed to local jurisdictions under subsection (1) and  
6 similarly calculated distributions in each succeeding fiscal year.

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

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

**13 MICHIGAN TRANSPORTATION FUND**

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

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

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27

1       Sec. 503. (1) The funds appropriated in part 1 for the economic  
2 development and critical bridge programs shall not lapse at the end of  
3 the fiscal year but shall carry forward each fiscal year for the purposes  
4 for which appropriated in accordance with 1987 PA 231, MCL 247.901 to  
5 247.913, and section 11b of 1951 PA 51, MCL 247.661b.

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

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

15       (4) None of the funds statutorily dedicated to the transportation  
16 economic development fund and critical bridge fund shall be diverted to  
17 other projects without the notification and approval of the house of rep-  
18 resentatives and senate appropriations subcommittees on transportation.

19       Sec. 504. (1) Funds from the Michigan transportation fund (MTF)  
20 shall be distributed to the comprehensive transportation fund (CTF), the  
21 economic development fund (EDF), the recreational improvement fund (RIF),  
22 and the state trunkline fund (STF), in accordance with this act and part  
23 711 (recreation improvement fund) of the natural resources and environ-  
24 mental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may  
25 only be used as specified in this act, 1951 PA 51, MCL 247.651 to  
26 247.675, and part 711 (recreation improvement fund) of the natural

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1 resources and environmental protection act, 1994 PA 451, MCL 324.71101 to  
2 324.71108.

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

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

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

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

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

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

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1       Sec. 505. (1) Of the amount appropriated in part 1 from the  
2 Michigan transportation fund to the department of state, \$186,600.00 rep-  
3 resents the additional cost of issuing specialized license plates for  
4 veterans and national guard members, as included in 1989 PAs 16, 17, 18,  
5 and 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l, and \$187,600.00  
6 represents the additional cost of issuing generic license plates for non-  
7 profit fraternal or public service organizations, as included in section  
8 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

9       (2) In addition, commemorative and specialty license plate fee reve-  
10 nue collected by the department of state and deposited into the Michigan  
11 transportation fund is authorized for expenditure by the department of  
12 state up to the amount of revenue collected, but not to exceed  
13 \$2,153,300.00 for commemorative plates and \$3,915,000.00 for specialty  
14 plates. These amounts are appropriated to the department of state in  
15 part 1 to administer the commemorative and specialty license plate pro-  
16 grams pursuant to section 225 of the Michigan vehicle code, 1949 PA 300,  
17 MCL 257.225.

18       (3) The department of state shall prepare an annual report on the  
19 number of, and the additional costs associated with, these license plate  
20 programs to the department, the state budget director, the house and  
21 senate fiscal agencies, and the chairpersons of the house of representa-  
22 tives and senate appropriations subcommittees on transportation.

23       (4) Any unspent funds based on these annual reports shall lapse to  
24 the Michigan transportation fund and be distributed in accordance with  
25 1951 PA 51, MCL 247.651 to 247.675.

26       Sec. 506. From the appropriation to county road commissions in  
27 section 110, \$3,000,000.00 from the state general fund is appropriated to

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1 a county that has identified in excess of 60 bridge structures in the  
2 county that are closed or have weight restrictions limiting or prohibit-  
3 ing emergency vehicles from crossing and that has committed in excess of  
4 \$29,000,000.00 of local funding for the repair or replacement of at least  
5 3/4 of the structures.

Sec. 507. From the funds appropriated in section 110 to cities and villages, funds shall be provided to the village of Lake Orion for repairs to the north shore drive bridge.

### **6 STATE TRUNKLINE FUND**

7 Sec. 601. The department shall work with the road construction  
8 industry to develop performance and road construction warranties for con-  
9 struction contracts. The development of warranties shall include warran-  
10 ties on materials, workmanship, performance criteria, and design/build  
11 projects. The department will report by September 30, 2002, to the house  
12 of representatives and senate appropriations subcommittees on transporta-  
13 tion, the state budget office, and the house and senate fiscal agencies  
14 on the status of efforts to develop performance and road construction  
15 warranties.

16 Sec. 602. If the department uses manufactured pipe for road con-  
17 struction drainage, the department shall require that pipe used under  
18 certain load bearing conditions beneath the roadway meet the standards  
19 established by the American society for testing and materials (ASTM) or  
20 American association of state highway and transportation officials  
21 (AASHTO). The department may also use the mandrel test for manufactured  
22 pipe 60 days after installation and provide a summary of the results of  
23 these inspections to the house of representatives and senate appropria-  
24 tions subcommittees on transportation and house and senate fiscal  
25 agencies.

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1       Sec. 603. It is the intent of the legislature that the department  
2 shall use traffic congestion as 1 of the criteria in determining the pri-  
3 orities for designating which roads shall be remediated in its 5-year  
4 road plan, which must be submitted on or before February 1, 2002.  
5 Criteria for evaluating traffic congestion shall include, but not be  
6 limited to, coordination with local, county, and regional planning,  
7 improvement in traffic operations, improvement in physical roadway condi-  
8 tions, accident reduction, and coordination with area public transporta-  
9 tion planning.

10       Sec. 604. From the amount appropriated in section 110 for road and  
11 bridge programs, the department shall include a pedestrian overpass  
12 project on business route I-94 between East avenue and Page avenue in the  
13 city of Jackson.

14       Sec. 605. The funds appropriated for the university road improve-  
15 ment program in section 110 shall be used to supplement the institutional  
16 road program exclusively for university roads.

17       Sec. 606. From the funds appropriated in section 110 for road and  
18 bridge programs, the department shall begin the construction process,  
19 which may include traffic studies, preliminary engineering, right-of-way  
20 acquisition, and construction, of a northbound ramp at I-675 and  
21 Washington avenue in the city of Saginaw.

22       Sec. 607. From the funds appropriated in part 1, the department  
23 shall provide matching funds to begin to remediate previously identified  
24 unsafe pedestrian crossings on state highways.

25       Sec. 608. From the funds appropriated in section 110 for road and  
26 bridge programs, funds shall be allocated for planning and evaluation for  
27 an interchange on I-96 at Sternberg Road in Fruitport Township.



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**1 COMPREHENSIVE TRANSPORTATION FUND**

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

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

20       Sec. 703. After receiving notification from a railroad company pur-  
21 suant to section 8 of the state transportation preservation act of 1976,  
22 1976 PA 295, MCL 474.58, the department shall immediately notify the  
23 house of representatives and senate appropriations subcommittees on  
24 transportation and the state budget office that the railroad company has  
25 filed with the appropriate governmental agencies for abandonment of a  
26 line.

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1       Sec. 704. The department shall submit a report to both the house  
2 and senate appropriations subcommittees on transportation and the house  
3 and senate fiscal agencies by March 1 of each year outlining its efforts  
4 to develop a high-speed rail program as well as efforts to obtain funding  
5 for this purpose. The report shall include recommendations on  
6 self-sustaining revenue sources to increase awareness and include efforts  
7 to increase ridership.

8       Sec. 705. From the funds appropriated in part 1, \$800,000.00 is  
9 allocated for a rail infrastructure loan program. The program shall pro-  
10 vide noninterest bearing loans for rail infrastructure improvements. The  
11 department shall evaluate loan applications according to the relative  
12 merit of the project in conjunction with program goals. The transporta-  
13 tion commission shall approve the loans. The loans shall fund not less  
14 than 90% of the rail portion of project costs, and the loan repayment  
15 period shall not exceed 10 years. Local governments, railroads, and cur-  
16 rent or potential users of freight railroad services are eligible  
17 applicants. At the end of the fiscal year, unexpended funds shall remain  
18 in the rail infrastructure loan program and shall be available to be  
19 allocated for the purposes of the program in the succeeding fiscal year.  
20 Money that is received by this state as repayment for rail infrastructure  
21 loans made pursuant to this program shall remain within the rail infra-  
22 structure loan program and shall be allocated for the purposes of the  
23 program. The state's total contribution to the rail infrastructure loan  
24 program shall not exceed \$15,000,000.00.

25       Sec. 706. The Detroit/Wayne County port authority shall issue a  
26 complete operations assessment and a financial disclosure statement. The  
27 operations assessment shall include operational goals for the next 5

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1 years and recommendations to improve land acquisition and development  
2 efficiency. The report shall be completed and submitted to the house of  
3 representatives and senate appropriations subcommittees on transporta-  
4 tion, the state budget office, and the house and senate fiscal agencies  
5 by February 15, 2002.

6       Sec. 707. For the fiscal year ending September 30, 2002, each eli-  
7 gible authority and each eligible governmental agency which provides  
8 public transportation services in urbanized areas with a Michigan popula-  
9 tion of less than or equal to 100,000 and nonurbanized areas under  
10 section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall  
11 receive a grant of up to 60% of its eligible operating expenses. Each  
12 eligible authority and each eligible government agency which provides  
13 public transportation services in urbanized areas with a Michigan popula-  
14 tion of greater than 100,000 under section 5311 of title 49 of the United  
15 States Code, 49 U.S.C. 5311, shall receive a grant of up to 50% of its  
16 eligible operating expenses.

17       Sec. 708. If funds appropriated in section 116 are used to provide  
18 state-owned or state-leased buses to private intercity bus carriers, the  
19 department shall charge not less than \$1,000.00 per bus per year for  
20 their use.

21       Sec. 709. (1) The following bus routes are designated as an essen-  
22 tial corridor in Michigan:

23	Between St. Ignace and	
24	EsCANABA	US-2
25	Between EsCANABA and	
26	Duluth	US-2 through Ironwood to the
27		state line

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1	Between Calumet and	
2	Escanaba	US-41
3	Between Escanaba and	
4	Milwaukee	US-41 through Menominee to the
5		state line
6	Between St. Ignace and	
7	Sault Ste. Marie	I-75
8		
9	Between Detroit and	
10	Chicago	I-94 from Detroit to the state
11		line
12	Between Detroit and	
13	Muskegon	I-96
14	Between Grand Rapids,	
15	Holland, and Benton	
16	Harbor	I-196 to I-94
17	Between Muskegon and	
18	Grand Rapids	US-31, I-96
19	Between Detroit and Bay	
20	City	I-75
21	Between Bay City and	
22	Mount Pleasant	US-10, M-20
23	Between Jackson and	
24	Traverse City	US-127, US-27, I-75, Grayling,
25		Gaylord, M-72 to Traverse City
26	Between Jackson and	
27	Indianapolis	I-69, I-94 to the state line

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1		through Albion, Marshall, and
2		Coldwater
3	Between Houghton Lake	
4	and Cadillac	M-55 and M-66
5	Between Detroit and	
6	Toledo	I-75 to the state line
7	Between the Indiana	
8	state line and	
9	Traverse City	US-31 and I-196
10	Between Detroit and Port	
11	Huron	I-375 and I-94
12	Between Toledo and Bay	
13	City	US-23, I-75, and I-675, I-75
14		
15	Between Bay City and	
16	Chicago	I-75, Flint, I-69, I-94, Battle
17		Creek, I-94 to the state line
18	Between Flint and	
19	Lansing	I-69, M-21, Owosso, M-52, I-69
20	Between Bay City and	
21	St. Ignace	I-75, US-23
22	Between Grand Rapids and	
23	St. Ignace	US-131, Cadillac, M-115, Mesick,
24		M-37 to Traverse City, US-31,
25		Acme, M-72, Kalkaska, US-131,
26		Boyne Falls, M-75, Walloon

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1 Lake, US-131, Petoskey, US-31,  
2 I-75, St. Ignace

3 Between Kalamazoo and

4 Grand Rapids US-131

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

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

11 Sec. 710. Whenever possible, the department shall work with the  
12 local transit agencies to avoid establishing new routes that duplicate  
13 existing routes served by intercity carriers when providing services  
14 under regional transportation service programs. It is preferable that  
15 private intercity carriers be provided an opportunity to bid by local  
16 public transit agencies on services funded through the regional transpor-  
17 tation service program.

18 Sec. 711. (1) From the funds appropriated in part 1 from the com-  
19 prehensive transportation fund for rail passenger service, the department  
20 shall negotiate with a rail carrier to provide rail service between Grand  
21 Rapids and Chicago and between Port Huron and Chicago on a 7-day basis,  
22 consistent with the other provisions of this section.

23 (2) The department shall work with the rail carrier, local communi-  
24 ties, and the federal government to increase marketing efforts to promote  
25 awareness of rail passenger service, to increase ridership, to reduce  
26 operating subsidies in conjunction with the federal phaseout of operating  
27 subsidies, to maximize the revenue of the rail passenger lines in

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1 Michigan, and to improve on-time performance. The department shall  
2 submit a report to both the house and senate appropriations committees  
3 and the house and senate fiscal agencies by January 1, 2002, that pro-  
4 vides a 5-year history on services, ridership, and subsidies.

5 (3) Future state support for the service between Grand Rapids and  
6 Chicago and Port Huron and Chicago is dependent on the department's abil-  
7 ity to provide a plan and a contract for services that increase ridership  
8 and revenue, reduce operating costs, and improve on-time performance.  
9 The department shall include a section in the report required in subsec-  
10 tion (2) detailing efforts to reduce the dependence on state operating  
11 subsidies and projected operating expenses for the next 2 years, and rec-  
12 ommending service alternatives, for the Grand Rapids to Chicago service  
13 and the Port Huron to Chicago service.

14 (4) Any state subsidy shall only provide for the direct operating  
15 costs in Michigan and shall not exceed \$5,700,000.00 for the service  
16 between Port Huron and Chicago and Grand Rapids and Chicago.

17 Sec. 712. From the comprehensive transportation fund appropriation  
18 in section 116 for freight preservation and development, \$2,000,000.00 is  
19 appropriated to rehabilitate the lake state railroad bridge over the  
20 Thunder Bay River in Alpena.

21 Sec. 713. The appropriation in section 115 for local bus  
22 operating: unreserved CTF fund balance shall only be expended by the  
23 department if the department, together with the house and senate fiscal  
24 agencies and the department of management and budget, determines that  
25 sufficient funding is available in the comprehensive transportation fund  
26 to support the appropriation. The funding shall be appropriated to the

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1 local bus operating program, pursuant to the provisions of section  
2 10e(4)(a) of 1951 PA 51, MCL 247.660e.

3       Sec. 714. The department, in cooperation with local transit agen-  
4 cies, shall ensure that demand-response services are provided throughout  
5 Michigan.

**6 AERONAUTICS FUND**

7       Sec. 801. At the close of the fiscal year ending September 30,  
8 2002, any unobligated and unexpended balance in the state aeronautics  
9 fund created in the aeronautics code of the state of Michigan, 1945  
10 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund  
11 and be appropriated by the legislature in the immediately succeeding  
12 fiscal year.

13       Sec. 802. The department and the departments of state police and  
14 natural resources shall continue to develop plans for the maintenance,  
15 scheduling, and use of all state-owned, noncombat aircraft. It is the  
16 intent of the legislature that these plans maximize the cost-efficient  
17 use of the state transportation air fleet. The departments shall prepare  
18 a joint report, coordinated by the department, on the development and  
19 implementation of these plans.

20       Sec. 803. (1) From the funds appropriated in section 113, the  
21 department shall establish an aeronautics safety officer position to  
22 coordinate safety functions between the department, the department of  
23 natural resources, and the department of state police. It is the intent  
24 of the legislature that the safety officer position is jointly funded by  
25 the 3 departments in equal shares.



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1       (2) In addition to the funds appropriated in section 113, the  
2 department is authorized to expend funds received from the department of  
3 natural resources and the department of state police that are intended to  
4 support the aeronautics safety officer position established in subsection  
5 (1).