

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5528

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2005; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for the state  
5 transportation department and certain state purposes designated in  
6 this act for the fiscal year ending September 30, 2005, from the funds

House Bill No. 5528 (S-1) as amended September 29, 2004

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

3 **STATE TRANSPORTATION DEPARTMENT**

4 APPROPRIATION SUMMARY:

5	Full-time equated unclassified positions.....	6.0
6	Full-time equated classified positions.....	[3,031.3]
7	GROSS APPROPRIATION.....	\$ [3,284,643,600]
8	Interdepartmental grant revenues:	
9	Total interdepartmental grants and intradepartmental	
10	transfers.....	0
11	ADJUSTED GROSS APPROPRIATION.....	\$ [3,284,643,600]
12	Federal revenues:	
13	DOT, federal transit act.....	59,200,000
14	DOT-FHWA, highway research, planning, and	
15	construction.....	1,072,401,200
16	DOT-FRA, local rail service assistance.....	100,000
17	DOT-FRA, rail passenger/HSGT.....	1,000,000
18	Total federal revenues.....	1,132,701,200
19	Special revenue funds:	
20	Local funds.....	5,800,000
21	Total local revenues.....	5,800,000
22	Total private revenues.....	0
23	Blue Water Bridge fund.....	16,208,000
24	Comprehensive transportation fund.....	232,526,600
25	Economic development fund.....	57,315,000
26	Intercity bus equipment fund.....	1,000,000
27	Local bridge fund.....	18,539,500

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1	Michigan transportation fund.....	1,071,934,700
2	Rail preservation fund.....	2,000,000
3	State aeronautics fund.....	12,126,600
4	State trunkline fund.....	[734,492,000]
5	Total other state restricted revenues.....	[2,146,142,400]
6	State general fund/general purpose..... \$	0
7	<b>Sec. 102. DEBT SERVICE</b>	
8	State trunkline..... \$	114,271,800
9	Economic development.....	16,804,800
10	Critical bridge.....	3,000,000
11	Blue Water Bridge.....	2,506,900
12	Airport safety and protection plan.....	1,786,600
13	Comprehensive transportation.....	<u>29,380,000</u>
14	GROSS APPROPRIATION..... \$	167,750,100
15	Appropriated from:	
16	Federal revenues:	
17	DOT-FHWA, highway research, planning, and	
18	construction.....	44,000,000
19	Special revenue funds:	
20	Blue Water Bridge fund.....	2,506,900
21	Comprehensive transportation fund.....	28,494,000
22	Economic development fund.....	16,804,800
23	Michigan transportation fund.....	3,000,000
24	State aeronautics fund.....	2,672,600
25	State trunkline fund.....	70,271,800
26	State general fund/general purpose..... \$	0
27	<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>	

1	MTF grant to department of environmental quality....	\$ 958,200
2	MTF grant to department of state for collection of	
3	revenue and fees.....	20,000,000
4	MTF grant to department of treasury.....	7,838,800
5	MTF grant to legislative auditor general.....	204,300
6	STF grant to department of attorney general.....	2,672,300
7	STF grant to department of civil service.....	2,000,000
8	STF grant to department of history, arts, and	
9	libraries.....	129,600
10	STF grant to department of management and budget....	1,240,800
11	STF grant to department of state police.....	7,226,700
12	STF grant to department of treasury.....	29,100
13	STF grant to legislative auditor general.....	474,600
14	SAF grant to department of attorney general.....	127,100
15	SAF grant to department of civil service.....	50,000
16	SAF grant to department of history, arts, and	
17	libraries.....	3,500
18	SAF grant to department of management and budget....	34,400
19	SAF grant to department of treasury.....	62,500
20	SAF grant to legislative auditor general.....	19,600
21	CTF grant to attorney general.....	137,000
22	CTF grant to department of civil service.....	90,000
23	CTF grant to department of history, arts, and	
24	libraries.....	5,900
25	CTF grant to department of management and budget....	60,500
26	CTF grant to department of treasury.....	5,300
27	CTF grant to legislative auditor general.....	<u>25,200</u>

1	GROSS APPROPRIATION.....	\$	43,395,400
2	Appropriated from:		
3	Special revenue funds:		
4	Comprehensive transportation fund.....		323,900
5	Michigan transportation fund.....		29,001,300
6	State aeronautics fund.....		297,100
7	State trunkline fund.....		13,773,100
8	State general fund/general purpose.....	\$	0
9	<b>Sec. 104. EXECUTIVE DIRECTION</b>		
10	Full-time equated unclassified positions.....	6.0	
11	Full-time equated classified positions.....	31.3	
12	Director.....	\$	135,000
13	Chief deputy.....		110,000
14	Communications director.....		71,400
15	Governmental affairs director.....		90,000
16	UPTRAN director.....		60,800
17	Commission advisor.....		65,000
18	Asset management council.....		1,626,400
19	Commission audit		
20	Salaries and fringe benefits--31.3 FTE positions....		3,122,400
21	Travel.....		60,000
22	Other operational expenses.....		68,300
23	Subtotal - commission audit.....		<u>3,250,700</u>
24	GROSS APPROPRIATION.....	\$	5,409,300
25	Appropriated from:		
26	Special revenue funds:		
27	Michigan transportation fund.....		1,626,400

1	State trunkline fund.....	3,782,900
2	State general fund/general purpose..... \$	0
3	<b>Sec. 105. BUSINESS SUPPORT</b>	
4	Full-time equated classified positions.....58.5	
5	Executive office	
6	Salaries and fringe benefits--9.5 FTE positions..... \$	932,400
7	Travel.....	69,300
8	Other operational expenses.....	116,400
9	Subtotal - executive office.....	1,118,100
10	Communications	
11	Salaries and fringe benefits--12.0 FTE positions....	1,006,200
12	Travel.....	40,100
13	Other operational expenses.....	191,200
14	Subtotal - communications.....	1,237,500
15	Governmental affairs	
16	Salaries and fringe benefits--3.0 FTE positions.....	330,700
17	Travel.....	3,000
18	Other operational expenses.....	17,500
19	Subtotal - governmental affairs.....	351,200
20	Human resources	
21	Salaries and fringe benefits--25.0 FTE positions....	2,206,300
22	Travel.....	25,400
23	Other operational expenses.....	216,000
24	Subtotal - human resources.....	2,447,700
25	Economic development and enhancement programs	
26	Salaries and fringe benefits--9.0 FTE positions.....	771,100
27	Travel.....	24,600

1	Other operational expenses.....	71,800
2	Subtotal - economic development and enhancement	
3	programs.....	867,500
4	Property management.....	6,370,200
5	Human resources optimization user charges.....	177,200
6	Worker's compensation.....	<u>3,001,000</u>
7	GROSS APPROPRIATION..... \$	15,570,400
8	Appropriated from:	
9	Special revenue funds:	
10	Comprehensive transportation fund.....	1,336,200
11	Economic development fund.....	500,700
12	State aeronautics fund.....	556,100
13	State trunkline fund.....	13,177,400
14	State general fund/general purpose..... \$	0
15	<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
16	Information technology services and projects..... \$	<u>26,804,800</u>
17	GROSS APPROPRIATION..... \$	26,804,800
18	Appropriated from:	
19	Federal revenues:	
20	DOT-FHWA, highway research, planning, and	
21	construction.....	555,100
22	Special revenue funds:	
23	Blue Water Bridge fund.....	45,100
24	Comprehensive transportation fund.....	224,900
25	Economic development fund.....	37,100
26	Michigan transportation fund.....	236,200
27	State aeronautics fund.....	138,100

1	State trunkline fund.....	25,568,300
2	State general fund/general purpose..... \$	0
3	<b>Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES</b>	
4	Full-time equated classified positions.....255.5	
5	Financial operations	
6	Salaries and fringe benefits--82.0 FTE positions.... \$	6,091,400
7	Travel.....	32,700
8	Other operational expenses.....	943,600
9	Subtotal - financial operations.....	7,067,700
10	Contract services	
11	Salaries and fringe benefits--34.1 FTE positions....	2,553,800
12	Travel.....	17,000
13	Other operational expenses.....	211,200
14	Subtotal - contract services.....	2,782,000
15	Technical and support services	
16	Salaries and fringe benefits--72.4 FTE positions....	5,732,100
17	Travel.....	293,600
18	Other operational expenses.....	2,101,100
19	Subtotal - technical and support services.....	8,126,800
20	Performance excellence	
21	Salaries and fringe benefits--12.0 FTE positions....	998,900
22	Travel.....	12,500
23	Other operational expenses.....	205,400
24	Subtotal - performance excellence.....	1,216,800
25	Welcome center operations	
26	Salaries and fringe benefits--55.0 FTE positions....	3,441,000
27	Travel.....	50,500



1	Other operational expenses.....	842,500
2	Subtotal - welcome center operations.....	<u>4,334,000</u>
3	GROSS APPROPRIATION..... \$	23,527,300
4	Appropriated from:	
5	Special revenue funds:	
6	Michigan transportation fund.....	1,363,300
7	State trunkline fund.....	22,164,000
8	State general fund/general purpose..... \$	0
9	<b>Sec. 108. TRANSPORTATION PLANNING</b>	
10	Full-time equated classified positions.....172.0	
11	Statewide planning services	
12	Salaries and fringe benefits--119.0 FTE positions... \$	10,779,900
13	Travel.....	175,000
14	Other operational expenses.....	860,000
15	Subtotal - statewide planning services.....	11,814,900
16	Data collection services	
17	Salaries and fringe benefits--53.0 FTE positions....	4,741,100
18	Travel.....	420,000
19	Other operational expenses.....	746,000
20	Subtotal - data collection services.....	5,907,100
21	Specialized planning services and local studies.....	9,023,900
22	Grants to regional planning councils.....	<u>488,800</u>
23	GROSS APPROPRIATION..... \$	27,234,700
24	Appropriated from:	
25	Federal revenues:	
26	DOT-FHWA, highway research, planning, and	
27	construction.....	17,000,000

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1	Special revenue funds:		
2	Comprehensive transportation fund.....	1,260,300	
3	Michigan transportation fund.....	6,838,800	
4	State aeronautics fund.....	261,900	
5	State trunkline fund.....	1,873,700	
6	State general fund/general purpose..... \$	0	
7	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>		
8	Full-time equated classified positions.....[1,531.4]		
9	Engineering services		
10	Salaries and fringe benefits--[803.7] FTE positions... \$	[38,238,800]	
11	Travel.....	2,689,100	
12	Other operational expenses.....	6,768,300	
13	Subtotal - engineering services.....	47,136,200	
14	Program services		
15	Salaries and fringe benefits--[727.7] FTE positions... \$	[32,403,700]	
16	Travel.....	900,000	
17	Other operational expenses.....	2,800,000	
18	Subtotal - program services.....	<u>35,623,700</u>	
19	GROSS APPROPRIATION..... \$	[83,799,900]	
20	Appropriated from:		
21	Federal revenues:		
22	DOT-FHWA, highway research, planning, and		
23	construction.....	7,000,000	
24	Special revenue funds:		
25	Michigan transportation fund.....	4,711,400	
26	State trunkline fund.....	[72,088,500]	
27	State general fund/general purpose..... \$	0	

1       **Sec. 110. HIGHWAY MAINTENANCE**

2       Full-time equated classified positions.....817.6

3       State trunkline operations

4       Salaries and fringe benefits--817.6 FTE positions... \$       53,310,500

5       Travel..... 9,500,000

6       Other operational expenses..... 55,568,500

7       Subtotal - state trunkline operations..... 118,379,000

8       Contract operations..... 135,347,100

9       GROSS APPROPRIATION..... \$       253,726,100

10       Appropriated from:

11       Special revenue funds:

12       State trunkline fund..... 253,726,100

13       State general fund/general purpose..... \$       0

14       **Sec. 111. ROAD AND BRIDGE PROGRAMS**

15       State trunkline federal aid and road and bridge

16       construction..... \$       1,012,259,300

17       Local federal aid and road and bridge construction..       256,903,000

18       Grants to local programs..... 33,000,000

19       Rail grade crossing..... 3,000,000

20       Local bridge fund..... 18,539,500

21       County road commissions..... 634,447,600

22       Cities and villages..... 353,733,000

23       GROSS APPROPRIATION..... \$       2,311,882,400

24       Appropriated from:

25       Federal revenues:

26       DOT-FHWA, highway research, planning, and

27       construction..... 1,003,846,100

1	Special revenue funds:	
2	Local funds.....	5,000,000
3	Blue Water Bridge fund.....	3,000,000
4	Local bridge fund.....	18,539,500
5	Michigan transportation fund.....	1,023,430,600
6	State trunkline fund.....	258,066,200
7	State general fund/general purpose..... \$	0
8	<b>Sec. 112. BLUE WATER BRIDGE</b>	
9	Full-time equated classified positions.....35.0	
10	Salaries and fringe benefits--35.0 FTE positions.... \$	2,356,000
11	Travel.....	200,000
12	Other operational expenses.....	<u>8,100,000</u>
13	GROSS APPROPRIATION..... \$	10,656,000
14	Appropriated from:	
15	Special revenue funds:	
16	Blue Water Bridge fund.....	10,656,000
17	State general fund/general purpose..... \$	0
18	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>	
19	<b>FUND</b>	
20	Forest roads..... \$	5,040,000
21	Rural county urban system.....	2,500,000
22	Target industries/economic redevelopment.....	17,966,200
23	Urban county congestion.....	7,233,100
24	Rural county primary.....	<u>7,233,100</u>
25	GROSS APPROPRIATION..... \$	39,972,400
26	Appropriated from:	
27	Special revenue funds:	

1	Economic development fund.....	39,972,400
2	State general fund/general purpose..... \$	0
3	<b>Sec. 114. AERONAUTICS SERVICES</b>	
4	Full-time equated classified positions.....56.0	
5	Airport improvement services	
6	Salaries and fringe benefits--30.0 FTE positions.... \$	2,482,600
7	Travel.....	100,100
8	Other operational expenses.....	226,500
9	Subtotal - airport improvement benefits.....	2,809,200
10	Aviation services	
11	Salaries and fringe benefits--26.0 FTE positions....	2,417,700
12	Travel.....	63,200
13	Other operational expenses.....	1,910,700
14	Subtotal - aviation services.....	4,391,600
15	Air service program.....	<u>1,000,000</u>
16	GROSS APPROPRIATION..... \$	8,200,800
17	Appropriated from:	
18	Special revenue funds:	
19	State aeronautics fund.....	8,200,800
20	State general fund/general purpose..... \$	0
21	<b>Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT</b>	
22	<b>SERVICES</b>	
23	Full-time equated classified positions.....74.0	
24	Freight and safety services	
25	Salaries and fringe benefits--35.5 FTE positions.... \$	2,967,000
26	Travel.....	171,100
27	Other operational expenses.....	400,800

1	Subtotal - freight and safety services.....	3,538,900
2	Passenger transportation services	
3	Salaries and fringe benefits--38.5 FTE positions....	3,366,400
4	Travel.....	195,700
5	Other operational expenses.....	113,700
6	Subtotal - passenger transportation services.....	<u>3,675,800</u>
7	GROSS APPROPRIATION..... \$	7,214,700
8	Appropriated from:	
9	Special revenue funds:	
10	Comprehensive transportation fund.....	5,488,000
11	Michigan transportation fund.....	1,726,700
12	State general fund/general purpose..... \$	0
13	<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY</b>	
14	<b>OPERATING</b>	
15	Local bus operating..... \$	161,680,000
16	Nonurban operating/capital.....	<u>14,600,000</u>
17	GROSS APPROPRIATION..... \$	176,280,000
18	Appropriated from:	
19	Federal revenues:	
20	DOT, federal transit act.....	14,400,000
21	Special revenue funds:	
22	Local funds.....	200,000
23	Comprehensive transportation fund.....	161,680,000
24	State general fund/general purpose..... \$	0
25	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>	
26	Freight property management..... \$	1,000,000
27	Detroit/Wayne County port authority.....	500,000

1	Intercity bus equipment.....	2,500,000
2	Rail passenger service.....	8,200,000
3	Freight preservation and development.....	4,692,900
4	Rail infrastructure loan program.....	100,000
5	Intercity bus service development.....	4,850,000
6	Marine passenger services.....	800,000
7	Terminal development.....	<u>1,551,300</u>
8	GROSS APPROPRIATION..... \$	24,194,200
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal transit act.....	3,500,000
12	DOT-FRA, local rail service assistance.....	100,000
13	DOT-FRA, rail passenger/HSGT.....	1,000,000
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.....	16,544,200
19	State general fund/general purpose..... \$	0
20	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
21	Specialized services..... \$	8,200,100
22	Municipal credit program.....	2,000,000
23	Bus capital.....	38,500,000
24	Van pooling.....	195,000
25	Service development and new technology.....	1,450,000
26	Planning grants.....	80,000
27	Transportation to work.....	<u>8,600,000</u>

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1	GROSS APPROPRIATION.....	\$	59,025,100
2	Appropriated from:		
3	Federal revenues:		
4	DOT, federal transit act.....		41,300,000
5	Special revenue funds:		
6	Local funds.....		550,000
7	Comprehensive transportation fund.....		17,175,100
8	State general fund/general purpose.....	\$	0

## 9 PART 2

## 10 PROVISIONS CONCERNING APPROPRIATIONS

11 GENERAL SECTIONS

12 Sec. 201. Pursuant to section 30 of article IX of the state  
 13 constitution of 1963, total state spending from state resources under  
 14 part 1 for fiscal year 2004-2005 is [\$2,146,142,400.00] and state  
 15 spending from state resources to be paid to local units of government  
 16 for fiscal year 2004-2005 is \$1,238,835,200.00. The itemized  
 17 statement below identifies appropriations from which spending to units  
 18 of local government will occur:

## 19 DEPARTMENT OF TRANSPORTATION

20	Local grant program.....	\$	33,000,000
21	Economic development fund.....		21,966,200
22	Grants to cities and villages.....		353,733,000
23	Grants to county road commissions.....		634,447,600
24	Critical bridge fund.....		18,539,500
25	Grants to regional planning councils.....		488,800



1	Local bus operating.....	161,680,000
2	Bus capital.....	8,000,000
3	Marine passenger service.....	800,000
4	Detroit/Wayne County port authority.....	500,000
5	Planning grants.....	80,000
6	Municipal credit program.....	2,000,000
7	Specialized services.....	<u>3,600,100</u>
8	Total payments to local units of government..... \$	1,238,835,200

9       Sec. 202. The appropriations authorized under this act are  
 10 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
 11 18.1594.

12       Sec. 203. As used in this article:

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

26       Sec. 204. The department of civil service shall bill the  
 27 department at the end of the first fiscal quarter for the 1% charge

1 authorized by section 5 of article XI of the state constitution of  
2 1963. Payments shall be made for the total amount of the billing by  
3 the end of the second fiscal quarter.

4       Sec. 205. (1) A hiring freeze is imposed on the state classified  
5 civil service. State departments and agencies are prohibited from  
6 hiring any new state classified civil service employees and prohibited  
7 from filling any vacant state classified civil service positions.  
8 This hiring freeze does not apply to internal transfers of classified  
9 employees from 1 position to another within a department.

10       (2) The state budget director shall grant exceptions to this  
11 hiring freeze when the state budget director believes that the hiring  
12 freeze will result in rendering a state department or agency unable to  
13 deliver basic services, causes loss of revenue to the state, would  
14 result in the inability of the state to receive federal funds, or  
15 would necessitate additional expenditures that exceed any savings from  
16 maintaining a vacancy. The state budget director shall report by the  
17 thirtieth of each month to the chairpersons of the senate and house of  
18 representatives standing committees on appropriations the number of  
19 exceptions to the hiring freeze approved during the previous month and  
20 the reasons to justify the exception.

21       Sec. 207. At least 90 days before beginning any effort to  
22 privatize, the department shall submit a complete project plan to the  
23 appropriate senate and house of representatives appropriations  
24 subcommittees and the senate and house fiscal agencies. The plan  
25 shall include the criteria under which the privatization initiative  
26 will be evaluated. The evaluation shall be completed and submitted to  
27 the appropriate senate and house of representatives appropriations

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1 subcommittees and the senate and house fiscal agencies within 6  
2 months. As used in this section, "privatize" or "privatization" means  
3 the transfer of state highway maintenance functions or activities  
4 currently performed by department forces, or by boards of county road  
5 commissioners, county boards of commissioners, or local units of  
6 government under contract with the department, to private  
7 contractors.

8 Sec. 208. Unless otherwise specified, the department shall use  
9 the Internet to fulfill the reporting requirements of this act. This  
10 may include transmission of reports via electronic mail to the  
11 recipients identified for each reporting requirement or it may include  
12 placement of reports on an Internet or Intranet site.

13 Sec. 209. Funds appropriated in part 1 shall not be used for the  
14 purchase of foreign goods or services, or both, if competitively  
15 priced and of comparable quality American goods or services, or both,  
16 are available. The department shall give priority to the purchase of  
17 Michigan goods and services.

<<Sec. 210. The director of each department receiving  
appropriations in part 1 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. Each director shall  
strongly encourage firms with which the department contracts to  
subcontract with certified businesses in deprived and depressed  
communities for services, supplies, or both.>>

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

23 Sec. 259. From the funds appropriated in part 1 for information  
24 technology, the department shall pay user fees to the department of  
25 information technology for technology-related services and projects.  
26 The user fees shall be subject to provisions of an interagency

27 agreement between the department and the department of information

1 technology.

2       Sec. 260. (1) Due to the current budgetary problems in this  
3 state, out-of-state travel for the fiscal year ending September 30,  
4 2005 shall be limited to situations in which 1 or more of the  
5 following conditions apply:

6       (a) The travel is required by legal mandate or court order or for  
7 law enforcement purposes.

8       (b) The travel is necessary to protect the health or safety of  
9 Michigan citizens or visitors or to assist other states in similar  
10 circumstances.

11       (c) The travel is necessary to produce budgetary savings or to  
12 increase state revenues, including protecting existing federal funds  
13 or securing additional federal funds.

14       (d) The travel is necessary to comply with federal requirements.

15       (e) The travel is necessary to secure specialized training for  
16 staff that is not available within this state.

17       (f) The travel is financed entirely by federal or nonstate funds.

18       (2) If out-of-state travel is necessary but does not meet 1 or  
19 more of the conditions in subsection (1), the state budget director  
20 may grant an exception to allow the travel. Any exceptions granted by  
21 the state budget director shall be reported on a monthly basis to the  
22 house and senate appropriations committees.

23       (3) Not later than January 1 of each year, each department shall  
24 prepare a travel report listing all travel by classified and  
25 unclassified employees outside this state in the immediately preceding  
26 fiscal year that was funded in whole or in part with funds  
27 appropriated in the department's budget. The report shall be

1 submitted to the chairs and members of the house and senate  
2 appropriations committees, the fiscal agencies, and the state budget  
3 director. The report shall include the following information:

4 (a) The name of each person receiving reimbursement for travel  
5 outside this state or whose travel costs were paid by this state.

6 (b) The destination of each travel occurrence.

7 (c) The dates of each travel occurrence.

8 (d) A brief statement of the reason for each travel occurrence.

9 (e) The transportation and related costs of each travel  
10 occurrence, including the proportion funded with state general  
11 fund/general purpose revenues, the proportion funded with state  
12 restricted revenues, the proportion funded with federal revenues, and  
13 the proportion funded with other revenues.

14 (f) A total of all out-of-state travel funded for the immediately  
15 preceding fiscal year.

#### 16 **DEPARTMENTAL SECTIONS**

17 Sec. 301. (1) The department may establish a fee schedule and  
18 collect fees sufficient to cover the costs to issue the permits that  
19 the department is authorized by law to issue upon request, and for  
20 fees associated with freedom of information requests. Unless  
21 otherwise authorized by statute, all fee revenue shall be credited to  
22 the state trunkline fund to recover the direct and indirect costs of  
23 receiving, reviewing, and processing the requests.

24 (2) A bridge authority shall hold 3 public hearings on an increase  
25 in any toll charged by the authority at least 30 days before the toll  
26 change will become effective. Two of the hearings shall be held

1 within 5 miles of the bridge over which the bridge authority has  
2 jurisdiction. One hearing shall be held in Lansing. Public hearings  
3 held under this section shall be conducted in accordance with the open  
4 meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be  
5 conducted so as to provide a reasonable opportunity for public  
6 comment, including both spoken and written comments.

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

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

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

24       Sec. 306. Biennially, the auditor general shall conduct an audit  
25 of charges to transportation funds by state departments for the two  
26 proceeding fiscal years, with the first such audit including the  
27 fiscal years ending September 30, 2004 and September 30, 2005. The

1 auditor general shall prepare a detailed report, with recommendations  
2 and conclusions, including a list of services charged to  
3 transportation funds, the appropriateness of those charges, the cost  
4 allocation methodologies used in determining the level of funding, and  
5 any unreimbursed costs. The report shall be provided, upon request,  
6 to any member of the senate and house of representatives, senate and  
7 house fiscal agencies, and the state budget director six months after  
8 publication of the state of Michigan comprehensive annual financial  
9 report.

10       Sec. 307. Before February 1 of each year, the department will  
11 provide to the legislature, the state budget office, and the house and  
12 senate fiscal agencies its rolling 5-year plan listing by county or by  
13 county road commission all highway construction projects for the  
14 fiscal year and all expected projects for the ensuing fiscal years.  
15 The legislature shall approve the 5-year plan before it is  
16 implemented.

17       Sec. 308. The department and local road agencies that receive  
18 appropriations under this act shall pursue compliance with contract  
19 specifications for construction and maintenance of state highways and  
20 local roads and streets. Work shall not be accepted and paid for  
21 until it complies with contract requirements. Contractors with  
22 unsatisfactory performance ratings shall be restricted from future  
23 bidding through the prequalification process established by the  
24 department or a local road agency. The department, county road  
25 commissions, and cities and villages shall report to the house of  
26 representatives and senate appropriations subcommittees on  
27 transportation on their respective activities under this section.



1       Sec. 309. The department shall reduce administrative costs and  
2 provide the maximum funding possible for construction projects.

3       Sec. 310. The department shall provide in a timely manner copies  
4 of the agenda and approved minutes of monthly transportation  
5 commission meetings to the members of the house and senate  
6 appropriations subcommittees on transportation, the house and senate  
7 fiscal agencies, and the state budget director.

8       Sec. 311. The department shall not use funds appropriated under  
9 part 1 on behalf of a local governmental unit to pay the amount  
10 required for that local governmental unit to participate in the  
11 federal advance construction program.

12       Sec. 312. At the close of the fiscal year, any unencumbered and  
13 unexpended balance in the state trunkline fund shall remain in the  
14 state trunkline fund and shall carry forward and is appropriated for  
15 federal aid road and bridge programs for projects contained in the  
16 annual state transportation program.

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

24       (2) In addition to funds provided in subsection (1), money  
25 received by the state as federal grants, repayment of state  
26 infrastructure bank loans, or other reimbursement or revenue received  
27 by the state as a result of projects funded by the program and

1 interest earned on that money shall be deposited in the revolving  
2 state infrastructure bank fund and shall be available for  
3 transportation infrastructure projects. At the close of the fiscal  
4 year, any funds remaining in the state infrastructure bank fund shall  
5 remain in the fund and be carried forward into the succeeding fiscal  
6 year.

7       Sec. 314. The department shall provide a report prepared by the  
8 department's internal auditor on the activities of the internal  
9 auditor for the previous fiscal year. The report shall be due on  
10 February 1, 2005 and shall be submitted to the senate and house of  
11 representatives appropriations committees, the senate and house fiscal  
12 agencies, the director of the state budget office, and the auditor  
13 general. This report shall include a list of all of the following:

14       (a) All work activities conducted by the internal auditor,  
15 including a listing of all audits, reviews, and investigations.

16       (b) The time charged to each work activity, including time  
17 charged to each audit, review, or investigation.

18       (c) A listing of which audits, reviews, and investigations have  
19 been completed and which audits, reviews, and investigations have had  
20 reports of the results issued.

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

26       Sec. 324. From the funds appropriated in part 1, \$500,000.00  
27 from the state trunkline fund shall be used for enhanced construction

1 zone traffic law enforcement and the "give 'em a brake" campaign. The  
2 funding shall be used to reimburse law enforcement agencies for costs  
3 associated with construction zone traffic enforcement. The funding  
4 shall be provided based on approved memoranda of understanding between  
5 the department and participating law enforcement agencies.

6       Sec. 334. The department shall continue its program to increase  
7 the use of women and minority owned businesses in state and local road  
8 construction projects. This program shall comprise, at a minimum,  
9 outreach and education efforts to inform women and minority owned  
10 firms of department competitive bidding processes and requirements,  
11 and an assessment of the availability of surety for women and minority  
12 owned businesses. The department shall report by March 31, 2005, to  
13 the house and senate appropriations subcommittees on transportation  
14 and the house and senate fiscal agencies of its progress in complying  
15 with this section.

16       Sec. 353. The department shall review its contractor payment  
17 process and ensure that all prime contractors are paid promptly. The  
18 department shall ensure that prime contractors are in compliance with  
19 special provision 109.10 regarding the prompt payment of  
20 subcontractors.

21       Sec. 357. When presented with complete local federal aid project  
22 submittals, the department shall complete all necessary reviews and  
23 inspections required to let local federal aid projects within 120 days  
24 of receipt. The department shall implement a system for monitoring  
25 the local federal aid project review process.

26       Sec. 361. The department will notify the senate and house  
27 appropriations subcommittees on transportation, the senate and house

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1 fiscal agencies, and the state budget director of any changes to the  
2 services or function of the multi-modal transportation services  
3 program as approved by the state transportation commission.

4       Sec. 363. From the funds appropriated in part 1, sufficient  
5 funds shall be granted to Michigan Technological University to  
6 complete a study of the distribution and nature of log truck accidents  
7 and the characteristics of log trucks and log loads. The study shall  
8 consider alternative designs for log trucks and trailers, including  
9 crib vehicles on which logs are loaded lengthwise. The findings of  
10 this study shall be forwarded to the house and senate appropriations  
11 committees, the house and senate fiscal agencies, and the state budget  
12 director.

13       Sec. 365. No funds appropriated in part 1 may be expended for  
14 the development of design plans or for the construction of either  
15 Practical Alternative 5 or Practical Alternative 5 modified, as  
16 identified in US-131 Improvement Study in St. Joseph County. It is  
17 the intention of the legislature that the department proceed with the  
18 construction of a full limited access freeway development within the  
19 US-131 planning corridor from the Indiana state line to north of the  
20 city of Three Rivers to Lovers Lane. The highway location must be  
21 determined with public input and using Practical Alternative numbers 1  
22 through 4.

23       [Sec. 370. The department shall develop a complaint process  
24 pertaining to charter service prohibitions that allows written or  
25 electronic complaints from private operators of potential violations of  
26 49 CFR, part 604. The department shall maintain records of these  
27 complaints and shall forward them in an expeditious manner to the Federal

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1 Transit Administration. At the time complaints are forwarded to the  
2 Federal Transit Administration, the department shall also notify the  
3 relevant eligible authority or eligible governmental agency that a  
4 complaint has been received and potential violations have been reported  
5 to the Federal Transit Administration. The department shall request an  
6 eligible authority or eligible governmental agency respond in writing  
7 within 30 days upon notification from the department a complaint has been  
8 received. The department shall forward this response to the Federal  
9 Transit Administration. The department shall notify the relevant  
10 eligible authority or eligible governmental agency and complainant of  
11 pertinent information regarding disposal of the complaint by the Federal  
12 Transit Administration in an expeditious manner.

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Sec. 374. The department shall not spend any of the funds appropriated in part 1 for printing employee newsletters, except to meet the needs of employees with disabilities. The department is encouraged to produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than October 15, 2004, the department shall report to the senate and house of representatives appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

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6 Sec. 378. No funds appropriated in part 1 shall be used to pay  
7 for food or beverages provided at in-house training conducted by  
8 departmental staff.

9 Sec. 379. <<

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12 >> The department shall not spend any comprehensive  
13 transportation fund revenue appropriated in part 1 on operational  
14 planning for an eligible authority or eligible governmental agency <<in  
15 accordance with section 10b(3) of 1951 PA 51, MCL 247.660b>>.

16 Sec. 380. The department only shall use those appropriations  
17 contained in sections 114 and 115 to support the operations of the  
18 multi-modal transportation services bureau. The department is  
19 prohibited from charging any costs associated with the multi-modal  
20 transportation services bureau to any appropriation in part 1, other  
21 than the appropriations contained in sections 114 and 115, regardless  
22 of their funding source [without an approved legislative transfer or an  
23 enacted supplemental appropriations bill].

24 Sec. 381. No funds appropriated in part 1 shall be used to pay  
25 for the costs associated with the production or airing of a television  
26 program by the department, unless the program addresses traffic or  
27 safety advisories.

28 Sec. 383. The department, with assistance from the departments  
29 of state police, natural resources, and military affairs, shall

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1 prepare a quarterly report on all travel by executive branch employees  
2 on state-owned, noncombat aircraft. The report shall include, by  
3 department, the name of the traveler, the travel origination location,  
4 the travel destination location, type of aircraft, and the total  
5 estimated costs associated with the air travel. <<This section does not  
apply to travel by the governor, attorney general, or the secretary of  
state.>>

6 **FEDERAL**

7 [Sec. 401. When the department receives authorization from the  
8 federal government to commit transportation funds pursuant to federal  
9 appropriations, it shall present to the senate and house of  
10 representatives appropriations transportation subcommittees and the  
11 senate and house fiscal agencies, the federal amounts and categories  
12 authorized and the department's recommendation for distribution of these  
13 funds. If a recommendation or recommendations are not disapproved within  
14 60 business days by either the senate or house of representatives  
15 appropriations transportation subcommittee, then the recommendation or  
16 recommendations shall be considered as approved. If either the senate or  
17 house of representatives appropriations transportation subcommittee  
18 disapproves the proposed distribution, then the senate and house of  
19 representatives appropriations transportation subcommittees and the  
20 department shall hold a joint meeting to develop a final distribution.  
21 If no agreement is reached between the parties, the department's  
distribution shall stand.]

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

26 (a) Funds that are specifically allocated at the federal level to



1 the state or local jurisdictions.

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

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

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

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

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

27 (6) The department shall not borrow against the critical bridge

1 fund for the first 9 months of the fiscal year.

2 (7) The federal funds appropriated in part 1 for local federal aid  
3 and road and bridge construction, to eligible local road agencies, may  
4 be transferred through a voluntary buyout agreement made between  
5 eligible local road agencies.

6 **MICHIGAN TRANSPORTATION FUND**

7 Sec. 501. The money received under the motor carrier act, 1933  
8 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of  
9 labor and economic growth or the department of state police is  
10 deposited in the Michigan transportation fund.

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

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

25 (2) Interest earned in the department of transportation economic  
26 development fund and local bridge fund shall remain in the respective

1 funds and shall be allocated to the respective programs based on  
2 actual interest earned at the end of each fiscal year.

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

8 (4) None of the funds statutorily dedicated to the transportation  
9 economic development fund and local bridge fund shall be diverted to  
10 other projects.

11 Sec. 504. (1) Funds from the Michigan transportation fund (MTF)  
12 shall be distributed to the comprehensive transportation fund (CTF),  
13 the economic development fund (EDF), the recreational improvement fund  
14 (RIF), and the state trunkline fund (STF), in accordance with this act  
15 and part 711 of the natural resources and environmental protection  
16 act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as  
17 specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part  
18 711 of the natural resources and environmental protection act, 1994  
19 PA 451, MCL 324.71101 to 324.71108.

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

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

(b) Description of services financed with transportation funds.

(c) Detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed with transportation funds.

(3) Two months after publication of the state of Michigan comprehensive annual financial report, each state agency receiving an interdepartment and statutory contract from the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to 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.

#### **STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry and engineering consulting community 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 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

1       Sec. 602. If the department uses manufactured pipe for road  
2 construction drainage, the department shall require that pipe used  
3 under certain load-bearing conditions beneath the roadway meets the  
4 standards established by the American society for testing and  
5 materials (ASTM) or American association of state highway and  
6 transportation officials (AASHTO). The department may also use the  
7 mandrel test for manufactured pipe 60 days after installation and  
8 provide a summary of the results of these inspections to the house of  
9 representatives and senate appropriations subcommittees on  
10 transportation and house and senate fiscal agencies.

11       Sec. 603. The department shall use traffic congestion as 1 of  
12 the criteria in determining the priorities for designating which roads  
13 shall be remediated in its 5-year road plan, which must be submitted  
14 on or before February 1, 2005. Criteria for evaluating traffic  
15 congestion shall include, but not be limited to, coordination with  
16 local, county, and regional planning, improvement in traffic  
17 operations, improvement in physical roadway conditions, accident  
18 reduction, and coordination with area public transportation planning.

19       Sec. 607. Funding shall be made available for the remediation of  
20 unsafe pedestrian crossings on state highways. Funds from this  
21 appropriation may be expended only as matching funds for up to 50% of  
22 project cost with additional project funding to be provided by local  
23 units of government or through private contributions. Selected  
24 projects shall require the approval of the transportation commission.  
25 Maintenance of pedestrian overpasses constructed from funds made  
26 available through this appropriation shall be the responsibility of a  
27 local unit of government or public or private institutions of higher

1 education.

2       Sec. 608. From the amounts appropriated in part 1 for forest  
3 roads from the transportation economic development fund in the fiscal  
4 year ending September 30, 2005, \$40,000.00 shall be used for the  
5 purpose of establishing 2 additional truck inspection stations. The  
6 department shall work directly with representatives of the timber  
7 industry to educate truck drivers on the use of the stations. The  
8 department shall report on the status of this program.

9       Sec. 610. It is the intent of the legislature that the  
10 department have as a priority the removal of dead deer and other large  
11 animal remains from the traveled portion and shoulder of state  
12 highways. The department, and counties that perform state highway  
13 maintenance under contract, shall remove animal remains, wherever  
14 practicable, away from the traveled portion and shoulder of state  
15 highways.

16       Sec. 611. From the appropriations in part 1, the department  
17 shall use high-quality pavement marking materials for all state  
18 trunkline projects with a design life of 10 years or greater. The  
19 department shall coordinate with material suppliers, equipment  
20 manufacturers, and application contractors to ensure cost-effective  
21 improvements in durability and retro-reflectivity. The department  
22 shall identify pilot projects for demonstration of wet reflective  
23 characteristics. The department shall submit a report to both the  
24 house and senate appropriations committees and the house and senate  
25 fiscal agencies by January 31, 2006, that provides a report on the wet  
26 reflective pilot projects and the use of high-quality pavement marking  
27 materials in coordination with material suppliers, equipment

1 manufacturers, and application contractors.

2       Sec. 612. The department shall establish guidelines governing  
3 incentives and disincentives provided under contracts for state  
4 trunkline projects. The guidelines shall include specific financial  
5 information concerning incentives and disincentives. On or before  
6 January 1, 2005, the department shall prepare a report for the  
7 immediately preceding fiscal year regarding contract incentives and  
8 disincentives. This report shall include a list, by project, of the  
9 contractors that received contract incentives and/or disincentives,  
10 the amount of the incentives and/or disincentives, and the number of  
11 days that each project was completed either ahead or past the  
12 contracted completion date. This report shall be provided to the  
13 senate and house appropriations subcommittees on transportation, the  
14 senate and house standing committees on transportation, and the senate  
15 and house fiscal agencies.

16       Sec. 617. From the funds appropriated in part 1, the department  
17 shall proceed with the construction of a full interchange at the  
18 intersection of M-48 and I-75 in Chippewa County. The department  
19 shall develop design plans and award the construction contract for  
20 this project during the fiscal year ending September 30, 2005.

21       Sec. 621. From the funds appropriated in part 1, the department  
22 shall install a traffic light on US-31 at the intersection with Bay  
23 Harbor in Emmet County.

24       Sec. 622. From the funds appropriated in part 1, the department  
25 shall proceed with the construction of improvements to the M-37  
26 corridor between 100th street and 84th street in Caledonia Township,  
27 Kent County, as recommended in the department's corridor traffic

1 study. The improvements shall include traffic signalization at the  
2 intersections of M-37 and Glengarry drive, and M-37 and 100th street,  
3 and the construction of a turning lane along the length of the  
4 corridor.

5       Sec. 623. Upon passage of Senate Bill No. 145 of the 92nd  
6 Legislature, there is appropriated from the funds in section 111 for  
7 state trunkline federal aid and road and bridge construction  
8 \$137,500.00 for the costs associated with the removal of a barricade  
9 on Tienken Road in Oakland County. The department shall make these  
10 funds available for this project only if each city, Rochester Hills  
11 and Auburn Hills, provides a 50% match to the amount of state funding  
12 for this project.

13       Sec. 624. From the funds appropriated in part 1, the department  
14 shall address the structural problems with the M-25 bridge in Hume  
15 Township resulting from the Schram drain.

16       Sec. 625. From the funds appropriated in part 1, the department  
17 shall conduct a feasibility study regarding the construction of a full  
18 interchange between exits 212 and 215 on I-75 in Ogemaw County at  
19 M-30. The study shall be completed and the findings communicated to  
20 the senate and house of representatives appropriations subcommittees  
21 on transportation by February 1, 2005.

22       Sec. 626. From the funds appropriated in part 1, the department  
23 shall provide funding to the city of Cheboygan for the construction of  
24 a bridge to replace the current bridge over the Cheboygan River at  
25 Lincoln Avenue in the city of Cheboygan.

26       Sec. 628. Funds appropriated in part 1 shall not be used to  
27 transfer investment management functions from the Mackinac Bridge



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1 Authority to the state treasurer. All bridge operating functions  
2 currently performed by the Mackinac Bridge Authority remain within the  
3 Mackinac Bridge Authority established under section 2 of 1950 (Ex  
4 Sess) PA 21, MCL 254.302. The legislature concurs with the finding of  
5 the Governor's Mackinac Bridge Task Force established under Executive  
6 Order No. 1986-14 that the Mackinac Bridge Authority remain in  
7 existence and continue to operate and maintain the bridge in the  
8 future.

9 Sec. 629. The department shall allow the city of Port Huron to  
10 close business route M-25 on October 9, 2004 for happy apple days  
11 festival. The department shall not impose restrictions on the city  
12 for the street closing permit beyond those required in prior years.

13 Sec. 633. From the funds appropriated in part 1, the department  
14 shall install a traffic signal on M-99 at the intersection with  
15 Spicerville highway in Eaton County.

<<Sec. 634. From the funds appropriated in part 1, the department  
shall install traffic signals at the intersection of Ann Arbor Road and  
McClumpha Road in Plymouth Township, Wayne County, and at the  
intersection of King Road and Telegraph Road in Brownstown Township,  
Wayne County.>>

#### 16 COMPREHENSIVE TRANSPORTATION FUND

17 Sec. 701. Except as otherwise provided for in this section,  
18 money that is received by the state as a lease payment for state-owned  
19 intercity bus equipment is not money to be deposited in the  
20 comprehensive transportation fund under section 10b of 1951 PA 51, MCL  
21 247.660b, but is money that is deposited in an intercity bus equipment  
22 fund for appropriation for the purchase and repair of intercity bus  
23 equipment. Proceeds received by the state from the sale of intercity  
24 bus equipment are deposited in an intercity bus equipment fund for  
25 appropriation for the purchase and repair of intercity bus equipment.  
26 For the fiscal year ending September 30, 2005, \$200,000.00 from the  
27 unreserved fund balance shall be transferred from the intercity bus

1 equipment fund and deposited in the comprehensive transportation  
2 fund. Security deposits from the lease of state-owned intercity bus  
3 equipment not returned to the lessee of the equipment under terms of  
4 the lease agreement are deposited in an intercity bus equipment fund  
5 for appropriation for the repair of intercity bus equipment. At the  
6 close of the fiscal year, any funds remaining in the intercity bus  
7 equipment fund shall remain in the fund and be carried forward into  
8 the succeeding fiscal year.

9       Sec. 702. Money that is received by the state as repayment for  
10 loans made for rail or water freight capital projects, and as a result  
11 of the sale of property or equipment used or projected to be used for  
12 rail or water freight projects shall be deposited in the fund created  
13 by section 17 of the state transportation preservation act of 1976,  
14 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds  
15 remaining in the rail preservation fund shall remain in the fund and  
16 be carried forward into the succeeding fiscal year.

17       Sec. 703. After receiving notification from a railroad company  
18 pursuant to section 8 of the state transportation preservation act of  
19 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify  
20 the house of representatives and senate appropriations subcommittees  
21 on transportation and the state budget office that the railroad  
22 company has filed with the appropriate governmental agencies for  
23 abandonment of a line.

24       Sec. 704. The department shall submit a report to both the house  
25 and senate appropriations subcommittees on transportation, the house  
26 and senate fiscal agencies, and the state budget director by March 1  
27 of each year outlining its efforts to develop a high-speed rail

1 program as well as efforts to obtain funding for this purpose. The  
2 report shall include recommendations on self-sustaining revenue  
3 sources to increase awareness and include efforts to increase  
4 ridership.

5 Sec. 705. Funds appropriated in part 1 for the rail  
6 infrastructure loan program shall be credited to the rail  
7 infrastructure loan fund established in section 15a of the state  
8 transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

9 Sec. 706. The Detroit/Wayne County port authority shall issue a  
10 complete operations assessment and a financial disclosure statement.  
11 The operations assessment shall include operational goals for the next  
12 5 years and recommendations to improve land acquisition and  
13 development efficiency. The report shall be completed and submitted  
14 to the house of representatives and senate appropriations  
15 subcommittees on transportation, the state budget director, and the  
16 house and senate fiscal agencies by February 15 of each fiscal year  
17 for the prior fiscal year.

18 Sec. 707. For the fiscal year ending September 30, 2005, each  
19 eligible authority and each eligible governmental agency which  
20 provides public transportation services in urbanized areas with a  
21 Michigan population of less than or equal to 100,000 and nonurbanized  
22 areas under section 5311 of title 49 of the United States Code, 49 USC  
23 5311, shall receive a grant of up to 60% of its eligible operating  
24 expenses. Each eligible authority and each eligible government agency  
25 which provides public transportation services in urbanized areas with  
26 a Michigan population of greater than 100,000 under section 5307 of  
27 title 49 of the United States Code, 49 USC 5307, shall receive a grant

1 of up to 50% of its eligible operating expenses. [The Detroit  
Transportation Corporation is not an eligible authority or eligible  
governmental agency under this act and is not eligible for grants funded  
from appropriations made in this act.]

2 Sec. 708. If funds appropriated in part 1 are used to provide  
3 state-owned or state-leased buses to private intercity bus carriers,  
4 the department shall charge not less than \$1,000.00 per bus per year  
5 for their use.

6 Sec. 709. (1) The following bus routes are designated as an  
7 essential corridor in Michigan:

8 Between St. Ignace and

9 Escanaba US-2

10 Between Escanaba and

11 Duluth US-2 through Ironwood to the  
12 state line

13 Between Calumet and

14 Escanaba US-41

15 Between Escanaba and

16 Milwaukee US-41 through Menominee to the  
17 state line

18 Between St. Ignace and

19 Sault Ste. Marie I-75

20 Between Detroit and

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

23 Between Detroit and

24 Muskegon I-96

25 Between Grand Rapids,

26 Holland, and Benton

27 Harbor I-196 to I-94

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

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1 Between Flint and  
2 Lansing I-69, M-21, Owosso, M-52, I-69  
3 Between Bay City and  
4 St. Ignace I-75, US-23  
5 Between Grand Rapids and  
6 St. Ignace US-131, Cadillac, M-115, Mesick,  
7 M-37 to Traverse City, US-31,  
8 Acme, M-72, Kalkaska, US-131,  
9 Boyne Falls, M-75, Walloon  
10 Lake, US-131, Petoskey, US-31,  
11 I-75, St. Ignace  
12 Between Kalamazoo and  
13 Grand Rapids US-131  
14 (2) Any changes to the essential corridor list in subsection (1)  
15 shall be approved by the house and senate appropriations subcommittees  
16 on transportation.  
17 (3) No entity shall receive operating assistance for a scheduled  
18 regular route service which is competing with another private or  
19 public carrier over the same route.  
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3           **]**

4           Sec. 711. (1) From the funds appropriated in part 1 from the  
5 comprehensive transportation fund for rail passenger service, the  
6 department shall negotiate with a rail carrier to provide rail service  
7 between Grand Rapids and Chicago and between Port Huron and Chicago on  
8 a 7-day basis, consistent with the other provisions of this section.

9           (2) Any state subsidy for rail passenger service between Grand  
10 Rapids and Chicago and between Port Huron and Chicago shall be limited  
11 to the direct operating costs of rail passenger service between Grand  
12 Rapids and Chicago and between Port Huron and Chicago. Direct  
13 operating costs shall include the costs that are needed to provide  
14 staffing for passenger service kiosks at Port Huron, Flint, and East  
15 Lansing stations. Any state funding provided under this section shall  
16 not exceed \$7,100,000.00.

17           (3) The rail carrier shall, as a condition to receiving a state  
18 operating subsidy, establish a system to monitor, collect, and resolve  
19 customer complaints and shall make the information available to the  
20 department, the house and senate appropriations subcommittees on  
21 transportation, and the house and senate fiscal agencies.

22           **[**

23

24           **(4)]** The department shall submit a report to both the house and  
25 senate appropriations committees and the house and senate fiscal  
26 agencies by January 1, 2005 that provides a 5-year history on  
27 services, ridership, and subsidies.

1        [(5)] Future state support for the service between Grand Rapids and  
2 Chicago and Port Huron and Chicago is dependent on the department's  
3 ability to provide a plan and a contract for services that increase  
4 ridership and revenue, reduce operating costs, and improve on-time  
5 performance. The department shall include a section in the report  
6 required in subsection (5) detailing efforts to reduce the dependence  
7 on state operating subsidies and projected operating expenses for the  
8 next 2 years, and recommending service alternatives, for the Grand  
9 Rapids to Chicago service and the Port Huron to Chicago service.

10       [(6)] No state subsidy shall be provided from the funds  
11 appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak  
12 discontinued service or any portion of the service between Port Huron  
13 and Chicago or Grand Rapids and Chicago during the preceding fiscal  
14 year, unless the discontinuance of service was for track maintenance  
15 or was caused by acts of God.

16       Sec. 714. (1) The department, in cooperation with local transit  
17 agencies, shall work to ensure that demand-response services are  
18 provided throughout Michigan. The department shall continue to work  
19 with local units of government to address the unmet transit needs in  
20 Michigan.

21       (2) The department shall report by March 1, 2005 on its efforts  
22 to implement this section over the past 2 years.

23       Sec. 715. (1) On or before January 27, 2005, the department,  
24 together with the house and senate fiscal agencies and the department  
25 of management and budget, shall estimate the unreserved and  
26 unencumbered closing balance of the comprehensive transportation fund  
27 (CTF) for the fiscal year ending September 30, 2004. The estimate



1 shall consider lapsed appropriations from the CTF and revised  
2 estimates of state restricted transportation revenue.

3       (2) On or before February 3, 2005, the department shall request a  
4 legislative transfer in accordance with section 393 of the management  
5 and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated  
6 unreserved and unencumbered CTF fund balance in excess of  
7 \$1,000,000.00. The appropriations included in the transfer request  
8 shall be in accordance with the statutory requirements of 1951 PA 51,  
9 MCL 247.651 to 247.675. At the same time the department makes its  
10 transfer request, the department shall submit copies of the transfer  
11 request to the house of representatives and senate appropriations  
12 subcommittees on transportation and the house and senate fiscal  
13 agencies.

14       Sec. 719. The department may provide advances to local road  
15 authorities from the rail grade crossing account pursuant to section  
16 11(1)(g) of 1951 PA 51, MCL 247.661, for the construction of grade  
17 separations. Money that is received by the state as a repayment of  
18 the advance, including interest on the advance, shall be returned to  
19 the rail grade crossing account and be available for the local grade  
20 crossing program for advances for the construction of grade  
21 separations pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661.

22       Sec. 721. For federal transit administration bus acquisition  
23 capital grants matched with CTF funds appropriated in part 1, transit  
24 agencies shall have 4 years from the federal approval date to carry  
25 out their projects. Contract line items unobligated 4 years after the  
26 federal approval date may be matched with CTF funds only up to 15% in  
27 the fifth and subsequent years. "Unobligated" means any line item in

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1 the contract that is not committed to a third party or purchase  
2 order. A waiver shall be granted by the department for an additional  
3 year with documented justification from the transit agency accompanied  
4 by a resolution from the board or authority seeking a waiver. If a  
5 transit agency does not carry out a line item activity in a specific  
6 authorization and the transit agency requests funds in a new  
7 authorization for that same activity, the line item shall be matched  
8 at up to 15%. This section applies only to bus acquisition capital  
9 grants. Lapsed funds under this section shall remain in the CTF.

10 Sec. 722. From the funds appropriated in part 1 for  
11 transportation to work from the CTF, <<sufficient>>funds shall be used as  
12 a match  
13 for job access reverse commute grants for local transit agencies. <<

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14 Sec. 728. From the funds appropriated in section 117 for freight  
15 preservation and development, \$250,000.00 shall be used for crossing  
16 upgrades and bridge deck replacement on the Huron subdivision of the  
17 Lake State Rail Company.

18 Sec. 729. From the funds appropriated in section 117 for  
19 intercity bus service development, \$100,000.00 shall be used for [lost  
ridership support and/or]  
20 marketing efforts to increase awareness of intercity bus service,  
21 increase ridership on intercity bus carriers, and improve coordination  
22 of intercity bus service in Michigan.

23 Sec. 730. The department shall sell all state-owned intercity  
24 bus equipment within 6 months of termination of lease agreements with  
25 intercity bus carriers. The proceeds from the sale of state-owned  
26 intercity bus equipment under this section shall be deposited in the  
27 intercity bus equipment fund, consistent with section 701.

1       Sec. 731. The department shall charge public transit agencies  
2 and intercity bus carriers equal rates for leasing similar space in  
3 state-owned intermodal facilities.

4       Sec. 732. (1) From the funds appropriated in part 1 for local  
5 bus operating, eligible authorities and eligible governmental agencies  
6 receiving grants under section 10e of 1951 PA 51, MCL 247.660e, shall  
7 equip vehicles with necessary operational lifts and certify to the  
8 department, in a format specified by the department, that those lifts  
9 are maintained and cycled on a regularly scheduled basis to ensure  
10 operability consistent with authority granted to the department under  
11 1951 PA 51, MCL 247.651 to 247.675.

12       (2) By October 29, 2004, eligible authorities and eligible  
13 governmental agencies shall forward to the department, senate and  
14 house appropriations subcommittees on transportation, senate and the  
15 house fiscal agencies, and the state budget director a report on the  
16 status of their fleet with respect to operational lifts pursuant to  
17 subsection (1). Eligible authorities and eligible governmental  
18 agencies shall specifically include information in the report on the  
19 number and percentage of the fleet with operational lifts, and the  
20 number and percentage of the fleet with operational lifts that are not  
21 in working order.

22       (3) An eligible authority or eligible governmental agency that  
23 reports, pursuant to subsection (2) that vehicles currently eligible  
24 for or in active service have lifts that are not operational, shall  
25 certify to the department by December 31, 2004 that the nonoperational  
26 lifts have been repaired or replaced and are operational.

27       (4) By [\[April 1, 2005\]](#), the department director shall certify, in

1 writing, to the senate and house appropriations subcommittees on  
2 transportation, senate and house fiscal agencies, and the state budget  
3 director that the information provided by each eligible authority or  
4 eligible governmental agency under subsections (2) and (3) is  
5 accurate [to the best of the director's knowledge]. In the event that  
the department director finds that the  
6 information provided by each eligible authority or eligible  
7 governmental agency under subsections (2) and (3) is inaccurate, the  
8 director shall notify the eligible authority or eligible governmental  
9 agency of the inaccuracies and require submission of a corrected  
10 report.

11 (5) Eligible authorities and eligible governmental agencies who  
12 report, pursuant to subsection (2), nonoperational lifts on vehicles  
13 currently eligible for or in active service, and who are unable to  
14 certify, pursuant to subsection (3), that lifts have been repaired or  
15 replaced by December 31, 2004, shall not receive 25% of their monthly  
16 local bus operating grant, beginning January 1, 2005. Persons 65  
17 years of age or older and persons with disabilities shall be exempt  
18 from fare box charges for the period an eligible authority or eligible  
19 governmental agency has funds withheld pursuant to this subsection.

20 (6) If the eligible authority or eligible governmental agency  
21 certifies on or before June 30, 2005 that lifts reported as  
22 nonoperational pursuant to subsections (3) and (4) are now  
23 operational, funds withheld during the period subsequent to December  
24 31, 2004 shall be forwarded to the applicable eligible authority or  
25 eligible governmental agency. If the applicable lifts are not  
26 operational by June 30, 2005, funds withheld pursuant to subsection  
27 (4) shall be forfeited and deposited to the comprehensive

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transportation fund.

(7) The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director on September 30, 2005, regarding actions taken with respect to implementation of this section.

[(8) The department shall ensure that transit agencies have adequate wheelchair lifts available on demand response vehicles to meet the needs of persons with disabilities.

Sec. 734. (1) The department will work to ensure that public transit agencies that receive funds under this act meet the following service performance measures:

(a) Transportation services are efficient, cost-effective, safe, well-maintained, reliable, customer-drive.

(b) Agency provides a quality work environment that fulfills employee performance, productivity, and development standards.

(c) Agency identifies and captures all available funding, creates cost-effective programs to eliminate debt, and maintains a balanced budget.

(d) Agency maintains sufficient local and community funding.

(e) Agency supports business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

(2) The department shall inform agencies of deficiencies meeting these performance measures and shall inform agencies that failure to address deficiencies jeopardizes future state funding.

(3) The department shall report deficiencies noted in meeting performance measures to the House and Senate appropriations subcommittees on transportation and the House and Senate fiscal agencies by April 1, 2005.]

#### **AERONAUTICS FUND**

Sec. 801. At the close of the fiscal year, 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

1 259.208, shall lapse to the state aeronautics fund and be appropriated  
2 by the legislature in the immediately succeeding fiscal year.

3       Sec. 805. State aeronautics funds appropriated in part 1 for  
4 airport safety and protection plan debt service are transferred to the  
5 comprehensive transportation fund and are appropriated for the purpose  
6 of reimbursing comprehensive transportation fund debt service  
7 obligations for the airport safety and protection plan program.