

**SUBSTITUTE FOR  
SENATE BILL NO. 281**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2006; 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

## Senate Bill No. 281 as amended June 15, 2005

this act for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

## APPROPRIATION SUMMARY:

Full-time equated unclassified positions ..... 6.0

Full-time equated classified positions ..... 3,030.3

GROSS APPROPRIATION. . . . . \$<<3,406,897,300>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 0

ADJUSTED GROSS APPROPRIATION\$. . . . . \$<<3,406,897,300>>

Federal revenues:

DOT, federal transit act ..... 59,200,000

DOT-FHWA, highway research, planning, and construction 1,147,342,100

DOT-FRA, local rail service assistance ..... 100,000

DOT-FRA, rail passenger/HSGT ..... 1,000,000

Total federal revenues ..... 1,207,642,100

Special revenue funds:

Local funds ..... 6,100,000

Total local revenues ..... 6,100,000

Total private revenues ..... 0

Blue Water Bridge fund ..... 16,206,000

Comprehensive transportation fund ..... <<235,251,300>>

Economic development fund ..... 56,237,700

Intercity bus equipment fund ..... 1,000,000

Local bridge fund ..... 34,115,800

## Senate Bill No. 281 as amended June 15, 2005

1	Michigan transportation fund.....	1,086,557,800
2	Rail preservation fund.....	2,000,000
3	State aeronautics fund.....	14,086,200
4	State trunkline fund.....	747,700,400
5	Total other state restricted revenues. . . . .	<<2,193,155,200>>
6	State general fund/general purpose .....	\$ 0
7	<b>Sec. 102. DEBT SERVICE</b>	
8	State trunkline.....	\$ 187,117,200
9	Economic development .....	14,730,100
10	Local bridge fund.....	3,000,000
11	Blue Water Bridge.....	2,383,300
12	Airport safety and protection plan.....	3,686,100
13	Comprehensive transportation.....	<u>29,826,800</u>
14	GROSS APPROPRIATION.....	\$ 240,743,500
15	Appropriated from:	
16	Federal revenues:	
17	DOT-FHWA, highway research, planning, and construction	103,200,000
18	Special revenue funds:	
19	Blue Water Bridge fund.....	2,383,300
20	Comprehensive transportation fund.....	28,843,600
21	Economic development fund.....	14,730,100
22	Local bridge fund.....	3,000,000
23	State aeronautics fund.....	4,669,300
24	State trunkline fund.....	83,917,200
25	State general fund/general purpose .....	\$ 0
26	<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>	
27	MTF grant to department of environmental quality .....	\$ 958,200

1	MTF grant to department of state for collection of	
2	revenue and fees.....	20,000,000
3	MTF grant to department of treasury.....	7,838,800
4	MTF grant to legislative auditor general.....	204,300
5	STF grant to department of attorney general.....	2,672,300
6	STF grant to department of civil service.....	2,000,000
7	STF grant to department of history, arts, and	
8	libraries.....	129,600
9	STF grant to department of management and budget.....	1,221,300
10	STF grant to department of state police.....	7,226,700
11	STF grant to department of treasury.....	29,100
12	STF grant to legislative auditor general.....	474,600
13	SAF grant to department of attorney general.....	127,100
14	SAF grant to department of civil service.....	50,000
15	SAF grant to department of history, arts, and	
16	libraries.....	3,500
17	SAF grant to department of management and budget.....	32,600
18	SAF grant to department of treasury.....	62,500
19	SAF grant to legislative auditor general.....	19,600
20	CTF grant to attorney general.....	137,000
21	CTF grant to department of civil service.....	90,000
22	CTF grant to department of history, arts, and	
23	libraries.....	5,900
24	CTF grant to department of management and budget.....	60,500
25	CTF grant to department of treasury.....	4,800
26	CTF grant to legislative auditor general.....	<u>25,200</u>
27	GROSS APPROPRIATION.....	\$ 43,373,600

1	Appropriated from:	
2	Special revenue funds:	
3	Comprehensive transportation fund .....	323,400
4	Michigan transportation fund .....	29,001,300
5	State aeronautics fund .....	295,300
6	State trunkline fund .....	13,753,600
7	State general fund/general purpose .....	\$ 0
8	<b>Sec. 104. EXECUTIVE DIRECTION</b>	
9	Full-time equated unclassified positions ..... 6.0	
10	Full-time equated classified positions ..... 31.3	
11	Director .....	\$ 135,000
12	Chief deputy .....	110,000
13	Communications director .....	71,400
14	Governmental affairs director .....	90,000
15	UPTRAN director .....	60,800
16	Commission advisor .....	65,000
17	Asset management council .....	1,626,400
18	Commission audit	
19	Salaries and fringe benefits--31.3 FTE positions .....	3,169,200
20	Travel .....	56,700
21	Other operational expenses .....	64,700
22	Subtotal - commission audit .....	<u>3,290,600</u>
23	GROSS APPROPRIATION .....	\$ 5,449,200
24	Appropriated from:	
25	Special revenue funds:	
26	Michigan transportation fund .....	1,626,400
27	State trunkline fund .....	3,822,800

1	State general fund/general purpose .....	\$	0
2	<b>Sec. 105. BUSINESS SUPPORT</b>		
3	Full-time equated classified positions .....		57.5
4	Executive office		
5	Salaries and fringe benefits--10.5 FTE positions .....	\$	1,031,700
6	Travel .....		69,300
7	Other operational expenses .....		116,400
8	Subtotal - executive office .....		1,217,400
9	Communications		
10	Salaries and fringe benefits--12.0 FTE positions .....		984,500
11	Travel .....		40,100
12	Other operational expenses .....		191,200
13	Subtotal - communications .....		1,215,800
14	Governmental affairs		
15	Salaries and fringe benefits--3.0 FTE positions .....		312,400
16	Travel .....		3,000
17	Other operational expenses .....		17,500
18	Subtotal - governmental affairs .....		332,900
19	Human resources		
20	Salaries and fringe benefits--23.0 FTE positions .....		2,234,600
21	Travel .....		18,200
22	Other operational expenses .....		208,800
23	Subtotal - human resources .....		2,461,600
24	Economic development and enhancement programs		
25	Salaries and fringe benefits--9.0 FTE positions .....		889,500
26	Travel .....		24,600
27	Other operational expenses .....		71,800

1	Subtotal - economic development and enhancement		
2	programs .....	985,900	
3	Property management .....	6,404,200	
4	Human resources optimization user charges .....	109,100	
5	Worker's compensation .....	<u>2,619,000</u>	
6	GROSS APPROPRIATION .....	\$ 15,345,900	
7	Appropriated from:		
8	Special revenue funds:		
9	Comprehensive transportation fund .....	1,161,200	
10	Economic development fund .....	500,700	
11	State aeronautics fund .....	231,600	
12	State trunkline fund .....	13,452,400	
13	State general fund/general purpose .....	\$ 0	
14	<b>Sec. 106. INFORMATION TECHNOLOGY</b>		
15	Information technology services and projects .....	\$ <u>27,460,400</u>	
16	GROSS APPROPRIATION .....	\$ 27,460,400	
17	Appropriated from:		
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and construction	555,100	
20	Special revenue funds:		
21	Blue Water Bridge fund .....	46,300	
22	Comprehensive transportation fund .....	230,800	
23	Economic development fund .....	37,100	
24	Michigan transportation fund .....	239,800	
25	State aeronautics fund .....	141,600	
26	State trunkline fund .....	26,209,700	
27	State general fund/general purpose .....	\$ 0	

1	<b>Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES</b>		
2	Full-time equated classified positions.....	253.5	
3	Financial operations		
4	Salaries and fringe benefits--80.0 FTE positions .....	\$	6,500,900
5	Travel.....		32,700
6	Other operational expenses .....		840,000
7	Subtotal - financial operations .....		7,373,600
8	Contract services		
9	Salaries and fringe benefits--34.1 FTE positions .....		2,708,800
10	Travel.....		17,000
11	Other operational expenses .....		211,200
12	Subtotal - contract services .....		2,937,000
13	Technical and support services		
14	Salaries and fringe benefits--72.4 FTE positions .....		6,159,400
15	Travel.....		158,600
16	Other operational expenses .....		1,856,800
17	Subtotal - technical and support services .....		8,174,800
18	Performance excellence		
19	Salaries and fringe benefits--12.0 FTE positions .....		1,105,200
20	Travel.....		12,500
21	Other operational expenses .....		205,400
22	Subtotal - performance excellence .....		1,323,100
23	Welcome center operations		
24	Salaries and fringe benefits--55.0 FTE positions .....		3,678,700
25	Travel.....		50,500
26	Other operational expenses .....		842,500
27	Subtotal - welcome center operations .....		<u>4,571,700</u>



1	GROSS APPROPRIATION .....	\$	24,380,200
2	Appropriated from:		
3	Special revenue funds:		
4	Michigan transportation fund .....		1,344,100
5	State trunkline fund .....		23,036,100
6	State general fund/general purpose .....	\$	0
7	<b>Sec. 108. TRANSPORTATION PLANNING</b>		
8	Full-time equated classified positions .....		174.0
9	Statewide planning services		
10	Salaries and fringe benefits--122.0 FTE positions ....	\$	11,284,000
11	Travel .....		150,000
12	Other operational expenses .....		500,000
13	Subtotal - statewide planning services .....		11,934,000
14	Data collection services		
15	Salaries and fringe benefits--52.0 FTE positions .....		4,754,100
16	Travel .....		350,000
17	Other operational expenses .....		746,000
18	Subtotal - data collection services .....		5,850,100
19	Specialized planning services and local studies .....		17,280,000
20	Grants to regional planning councils .....		<u>488,800</u>
21	GROSS APPROPRIATION .....	\$	35,552,900
22	Appropriated from:		
23	Federal revenues:		
24	DOT-FHWA, highway research, planning, and construction		22,000,000
25	Special revenue funds:		
26	Comprehensive transportation fund .....		1,260,300
27	Michigan transportation fund .....		6,586,300

1	State aeronautics fund.....	261,900
2	State trunkline fund.....	5,444,400
3	State general fund/general purpose .....	\$ 0
4	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>	
5	Full-time equated classified positions.....	1,533.4
6	Engineering services	
7	Salaries and fringe benefits--803.2 FTE positions ....	\$ 38,110,200
8	Travel.....	1,856,400
9	Other operational expenses .....	10,904,500
10	Subtotal - engineering services .....	50,871,100
11	Program services	
12	Salaries and fringe benefits--719.7 FTE positions ....	31,119,800
13	Travel.....	968,500
14	Other operational expenses .....	5,428,300
15	Subtotal - program services .....	37,516,600
16	Intelligent transportation systems operations--10.5	
17	FTE positions.....	<u>9,665,000</u>
18	GROSS APPROPRIATION.....	\$ 98,052,700
19	Appropriated from:	
20	Federal revenues:	
21	DOT-FHWA, highway research, planning, and construction	7,000,000
22	Special revenue funds:	
23	Michigan transportation fund.....	5,257,600
24	State trunkline fund.....	85,795,100
25	State general fund/general purpose .....	\$ 0
26	<b>Sec. 110. HIGHWAY MAINTENANCE</b>	
27	Full-time equated classified positions.....	815.6

1	State trunkline operations		
2	Salaries and fringe benefits--815.6 FTE positions ....	\$	59,798,800
3	Travel.....		1,704,300
4	Other operational expenses.....		61,460,800
5	Subtotal - state trunkline operations.....		122,963,900
6	Contract operations.....		<u>137,104,000</u>
7	GROSS APPROPRIATION.....	\$	260,067,900
8	Appropriated from:		
9	Special revenue funds:		
10	State trunkline fund.....		260,067,900
11	State general fund/general purpose.....	\$	0
12	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>		
13	State trunkline federal aid and road and bridge		
14	construction.....	\$	995,796,200
15	Local federal aid and road and bridge construction ...		258,992,000
16	Grants to local programs.....		33,000,000
17	Rail grade crossing.....		3,000,000
18	Local bridge fund.....		31,115,800
19	County road commissions.....		645,023,600
20	Cities and villages.....		<u>359,629,500</u>
21	GROSS APPROPRIATION.....	\$	2,326,557,100
22	Appropriated from:		
23	Federal revenues:		
24	DOT-FHWA, highway research, planning, and construction		1,014,587,000
25	Special revenue funds:		
26	Local funds.....		5,000,000
27	Blue Water Bridge fund.....		3,000,000

1	Local bridge fund.....	31,115,800
2	Michigan transportation fund.....	1,040,653,100
3	State trunkline fund.....	232,201,200
4	State general fund/general purpose .....	\$ 0
5	<b>Sec. 112. BLUE WATER BRIDGE</b>	
6	Full-time equated classified positions.....	35.0
7	Salaries and fringe benefits--35.0 FTE positions .....	\$ 2,656,400
8	Travel.....	20,000
9	Other operational expenses .....	<u>8,100,000</u>
10	GROSS APPROPRIATION.....	\$ 10,776,400
11	Appropriated from:	
12	Special revenue funds:	
13	Blue Water Bridge fund.....	10,776,400
14	State general fund/general purpose .....	\$ 0
15	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>	
16	Forest roads.....	\$ 5,000,000
17	Rural county urban system.....	2,500,000
18	Target industries/economic redevelopment .....	17,966,200
19	Urban county congestion.....	7,751,800
20	Rural county primary.....	<u>7,751,800</u>
21	GROSS APPROPRIATION.....	\$ 40,969,800
22	Appropriated from:	
23	Special revenue funds:	
24	Economic development fund.....	40,969,800
25	State general fund/general purpose .....	\$ 0
26	<b>Sec. 114. AERONAUTICS SERVICES</b>	
27	Full-time equated classified positions.....	56.0

1	Airport improvement services		
2	Salaries and fringe benefits--30.0 FTE positions .....	\$	2,690,400
3	Travel.....		125,300
4	Other operational expenses .....		276,500
5	Subtotal - airport improvement benefits .....		3,092,200
6	Aviation services		
7	Salaries and fringe benefits--26.0 FTE positions .....		2,361,500
8	Travel.....		82,100
9	Other operational expenses .....		1,950,700
10	Subtotal - aviation services .....		4,394,300
11	Air service program.....		<u>1,000,000</u>
12	GROSS APPROPRIATION.....	\$	8,486,500
13	Appropriated from:		
14	Special revenue funds:		
15	State aeronautics fund.....		8,486,500
16	State general fund/general purpose .....	\$	0
17	<b>Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT</b>		
18	<b>SERVICES</b>		
19	Full-time equated classified positions..... 74.0		
20	Freight and safety services		
21	Salaries and fringe benefits--36.0 FTE positions .....	\$	3,253,900
22	Travel.....		113,600
23	Other operational expenses .....		458,300
24	Subtotal - freight and safety services .....		3,825,800
25	Passenger transportation services		
26	Salaries and fringe benefits--38.0 FTE positions .....		3,578,500
27	Travel.....		81,600

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1	Other operational expenses .....	227,800
2	Subtotal - passenger transportation services .....	<u>3,887,900</u>
3	GROSS APPROPRIATION .....	\$ 7,713,700
4	Appropriated from:	
5	Special revenue funds:	
6	Comprehensive transportation fund .....	5,864,500
7	Michigan transportation fund .....	1,849,200
8	State general fund/general purpose .....	\$ 0
9	<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY</b>	
10	<b>OPERATING</b>	
11	Local bus operating .....	\$ <<161,680,000>>
12	Nonurban operating/capital .....	<u>14,600,000</u>
13	GROSS APPROPRIATION .....	\$ <<176,280,000>>
14	Appropriated from:	
15	Federal revenues:	
16	DOT, federal transit act .....	14,400,000
17	Special revenue funds:	
18	Local funds .....	200,000
19	Comprehensive transportation fund .....	<<161,680,000>>
20	State general fund/general purpose .....	\$ 0
21	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>	
22	Freight property management .....	\$ 1,000,000
23	Detroit/Wayne County port authority .....	500,000
24	Intercity bus equipment .....	2,500,000
25	Rail passenger service .....	7,200,000
26	Freight preservation and development .....	4,442,900
27	Rail infrastructure loan program .....	100,000

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1	Intercity bus service development .....	4,850,000
2	Marine passenger services .....	800,000
3	Terminal development .....	<u>1,551,300</u>
4	GROSS APPROPRIATION .....	\$ 22,944,200
5	Appropriated from:	
6	Federal revenues:	
7	DOT, federal transit act .....	3,500,000
8	DOT-FRA, local rail service assistance .....	100,000
9	DOT-FRA, rail passenger/HSGT .....	1,000,000
10	Special revenue funds:	
11	Local funds .....	50,000
12	Comprehensive transportation fund .....	15,294,200
13	Intercity bus equipment fund .....	1,000,000
14	Rail preservation fund .....	2,000,000
15	State general fund/general purpose .....	\$ 0
16	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
17	Specialized services .....	\$ 8,200,100
18	Municipal credit program .....	2,000,000
19	Bus capital .....	<<41,998,200>>
20	Van pooling .....	195,000
21	Service initiatives .....	1,750,000
22	Planning grants .....	<<0>>
23	Transportation to work .....	<u>8,600,000</u>
24	GROSS APPROPRIATION .....	\$ <<62,743,300>>
25	Appropriated from:	
26	Federal revenues:	
27	DOT, federal transit act .....	41,300,000

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1 Special revenue funds:

2	Local funds .....	850,000
3	Comprehensive transportation fund .....	<<20,593,300>>
4	State general fund/general purpose .....	\$ 0

5 PART 2

6 PROVISIONS CONCERNING APPROPRIATIONS

7 GENERAL SECTIONS

8 Sec. 201. Pursuant to section 30 of article IX of the state  
 9 constitution of 1963, total state spending from state resources  
 10 under part 1 for fiscal year 2005-2006 is \$2,202,064,500.00 and  
 11 state spending from state resources to be paid to local units of  
 12 government for fiscal year 2005-2006 is \$1,281,328,900.00. The  
 13 itemized statement below identifies appropriations from which  
 14 spending to units of local government will occur:

15 DEPARTMENT OF TRANSPORTATION

16	Grants to local programs .....	\$ 33,000,000
17	Economic development fund .....	23,003,600
18	Grants to cities and villages .....	359,629,500
19	Grants to county road commissions .....	645,023,600
20	Local bridge fund .....	31,115,800
21	Grants to regional planning councils .....	488,800
22	Local bus operating .....	<<161,680,000>>
23	Bus capital .....	<<11,498,200>>
24	Marine passenger service .....	800,000
25	Detroit/Wayne County port authority .....	500,000



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1	Planning grants .....	<<0>>
2	Municipal credit program .....	2,000,000
3	Specialized services .....	<u>3,600,100</u>
4	Total payments to local units of government. . . . .	\$<<1,272,339,600>>

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

8       Sec. 203. As used in this article:

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

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

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

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

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

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

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

13       Sec. 209. Funds appropriated in part 1 shall not be used for  
14 the purchase of foreign goods or services, or both, if  
15 competitively priced and of comparable quality American goods or  
16 services, or both, are available. Preference should be given to  
17 goods or services, or both, manufactured or provided by Michigan  
18 businesses if they are competitively priced and of comparable  
19 quality.

20       Sec. 210. The director of each department receiving  
21 appropriations in part 1 may take all reasonable steps to ensure  
22 businesses in deprived and depressed communities compete for and  
23 perform contracts to provide services or supplies, or both. The  
24 director shall encourage firms with which the department contracts  
25 to subcontract with certified businesses in deprived and depressed  
26 communities for services, supplies, or both.

27       Sec. 259. From the funds appropriated in part 1 for

1 information technology, the department shall pay user fees to the  
2 department of information technology for technology-related  
3 services and projects. The user fees shall be subject to provisions  
4 of an interagency agreement between the department and the  
5 department of information technology.

6 Sec. 260. (1) Due to the current budgetary problems in this  
7 state, out-of-state travel for the fiscal year ending September 30,  
8 2006 shall be limited to situations in which 1 or more of the  
9 following conditions apply:

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

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

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

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

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

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

24 (2) If out-of-state travel is necessary but does not meet 1 or  
25 more of the conditions in subsection (1), the state budget director  
26 may grant an exception to allow the travel. Any exceptions granted  
27 by the state budget director shall be reported on a monthly basis

1 to the house and senate appropriations committees.

2 (3) Not later than January 1 of each year, each department  
3 shall prepare a travel report listing all travel by classified and  
4 unclassified employees outside this state in the immediately  
5 preceding fiscal year that was funded in whole or in part with  
6 funds appropriated in the department's budget. The report shall be  
7 submitted to the chairs and members of the house and senate  
8 appropriations committees, the fiscal agencies, and the state  
9 budget director. The report shall include the following  
10 information:

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

13 (b) The destination of each travel occurrence.

14 (c) The dates of each travel occurrence.

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

17 (e) The transportation and related costs of each travel  
18 occurrence, including the proportion funded with state general  
19 fund/general purpose revenues, the proportion funded with state  
20 restricted revenues, the proportion funded with federal revenues,  
21 and the proportion funded with other revenues.

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

24 Sec. 261. A department or state agency shall not take  
25 disciplinary action against an employee for communicating with a  
26 member of the legislature or their staff.

1    **DEPARTMENTAL SECTIONS**

2           Sec. 301. (1) The department may establish a fee schedule and  
3 collect fees sufficient to cover the costs to issue the permits  
4 that the department is authorized by law to issue upon request, and  
5 for fees associated with freedom of information requests. Unless  
6 otherwise authorized by statute, all fee revenue shall be credited  
7 to the state trunkline fund to recover the direct and indirect  
8 costs of receiving, reviewing, and processing the requests.

9           (2) A bridge authority shall hold 3 public hearings on an  
10 increase in any toll charged by the authority at least 30 days  
11 before the toll change will become effective. Two of the hearings  
12 shall be held within 5 miles of the bridge over which the bridge  
13 authority has jurisdiction. One hearing shall be held in Lansing.  
14 Public hearings held under this section shall be conducted in  
15 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to  
16 15.275, and shall be conducted so as to provide a reasonable  
17 opportunity for public comment, including both spoken and written  
18 comments.

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

24          Sec. 304. If, as a requirement of bidding on a highway  
25 project, the department requires a contractor to submit financial  
26 or proprietary documentation as to how the bid was calculated, that  
27 bid documentation shall be kept confidential and shall not be

1 disclosed other than to a department representative without the  
2 contractor's written consent. The department may disclose the bid  
3 documentation if necessary to address or defend a claim by a  
4 contractor.

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

10       Sec. 306. Biennially, the auditor general shall conduct an  
11 audit of charges to transportation funds by state departments for  
12 the 2 preceding fiscal years, with the first such audit including  
13 the fiscal years ending September 30, 2006 and September 30, 2007.  
14 The auditor general shall prepare a detailed report, with  
15 recommendations and conclusions, including a list of services  
16 charged to transportation funds, the appropriateness of those  
17 charges, the cost allocation methodologies used in determining the  
18 level of funding, and any unreimbursed costs. The report shall be  
19 provided, upon request, to any member of the senate and house of  
20 representatives, senate and house fiscal agencies, and the state  
21 budget director 6 months after publication of the state of Michigan  
22 comprehensive annual financial report.

23       Sec. 307. Before February 1 of each year, the department will  
24 provide to the legislature, the state budget office, and the house  
25 and senate fiscal agencies its rolling 5-year plan listing by  
26 county or by county road commission all highway construction  
27 projects for the fiscal year and all expected projects for the

1 ensuing fiscal years.

2       Sec. 308. The department and local road agencies that receive  
3 appropriations under this act shall pursue compliance with contract  
4 specifications for construction and maintenance of state highways  
5 and local roads and streets. Work shall not be accepted and paid  
6 for until it complies with contract requirements. Contractors with  
7 unsatisfactory performance ratings shall be restricted from future  
8 bidding through the prequalification process established by the  
9 department or a local road agency. The department, county road  
10 commissions, and cities and villages shall report to the house of  
11 representatives and senate appropriations subcommittees on  
12 transportation on their respective activities under this section.

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

15       Sec. 310. The department shall provide in a timely manner  
16 copies of the agenda and approved minutes of monthly transportation  
17 commission meetings to the members of the house and senate  
18 appropriations subcommittees on transportation, the house and  
19 senate fiscal agencies, and the state budget director.

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

24       Sec. 312. At the close of the fiscal year, any unencumbered  
25 and unexpended balance in the state trunkline fund shall remain in  
26 the state trunkline fund and shall carry forward and is  
27 appropriated for federal aid road and bridge programs for projects



1 contained in the annual state transportation program.

2       Sec. 313. (1) From funds appropriated in part 1, the  
3 department may increase a state infrastructure bank program and  
4 grant or loan funds in accordance with regulations of the state  
5 infrastructure bank program of the United States department of  
6 transportation. The state infrastructure bank is to be administered  
7 by the department for the purpose of providing a revolving, self-  
8 sustaining resource for financing transportation infrastructure  
9 projects.

10       (2) In addition to funds provided in subsection (1), money  
11 received by the state as federal grants, repayment of state  
12 infrastructure bank loans, or other reimbursement or revenue  
13 received by the state as a result of projects funded by the program  
14 and interest earned on that money shall be deposited in the  
15 revolving state infrastructure bank fund and shall be available for  
16 transportation infrastructure projects. At the close of the fiscal  
17 year, any funds remaining in the state infrastructure bank fund  
18 shall remain in the fund and be carried forward into the succeeding  
19 fiscal year.

20       Sec. 314. The department shall provide a report prepared by  
21 the department's internal auditor on the activities of the internal  
22 auditor for the previous fiscal year. The report shall be due on  
23 February 1, 2006 and shall be submitted to the senate and house of  
24 representatives appropriations committees, the senate and house  
25 fiscal agencies, the director of the state budget office, and the  
26 auditor general. This report shall include a list of all of the  
27 following:

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

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

5 (c) A listing of which audits, reviews, and investigations  
6 have been completed and which audits, reviews, and investigations  
7 have had reports of the results issued.

8 Sec. 319. The department shall post signs at each rest area to  
9 identify the agency or contractor responsible for maintenance of  
10 the rest area. The signs shall include a department telephone  
11 number and shall indicate that unsafe or unclean conditions at the  
12 rest area may be reported to that telephone number.

13 Sec. 324. From the funds appropriated in part 1, \$500,000.00  
14 from the state trunkline fund shall be used for enhanced  
15 construction zone traffic law enforcement and the "give 'em a  
16 brake" campaign. The funding shall be used to reimburse law  
17 enforcement agencies for costs associated with construction zone  
18 traffic enforcement. The funding shall be provided based on  
19 approved memoranda of understanding between the department and  
20 participating law enforcement agencies.

21 Sec. 334. The department shall continue its program to  
22 increase the use of women- and minority-owned businesses in state  
23 and local road construction projects. This program shall comprise,  
24 at a minimum, outreach and education efforts to inform women- and  
25 minority-owned firms of department competitive bidding processes  
26 and requirements, and an assessment of the availability of surety  
27 for women- and minority-owned businesses. The department shall

1 report by March 31, 2006, to the house and senate appropriations  
2 subcommittees on transportation and the house and senate fiscal  
3 agencies of its progress in complying with this section.

4 Sec. 353. The department shall review its contractor payment  
5 process and ensure that all prime contractors are paid promptly.  
6 The department shall ensure that prime contractors are in  
7 compliance with special provision 109.10 regarding the prompt  
8 payment of subcontractors.

9 Sec. 357. When presented with complete local federal aid  
10 project submittals, the department shall complete all necessary  
11 reviews and inspections required to let local federal aid projects  
12 within 120 days of receipt. The department shall implement a system  
13 for monitoring the local federal aid project review process.

14 Sec. 361. The department will notify the senate and house  
15 appropriations subcommittees on transportation, the senate and  
16 house fiscal agencies, and the state budget director of any changes  
17 to the services or function of the multi-modal transportation  
18 services program as approved by the state transportation  
19 commission.

20 Sec. 370. (1) From the funds appropriated in part 1, no later  
21 than April 1, 2006, the director shall develop a complaint process  
22 to enforce the charter service prohibition contained in section 10e  
23 of 1951 PA 51, MCL 247.660e. The complaint process shall be  
24 independent from the charter service complaint process administered  
25 by the federal department of transportation, federal transit  
26 administration under 49 CFR part 604. The process shall allow  
27 complainants to file written complaints with the director, either

1 through the United States mail or through the department's Internet  
2 site. The process shall allow complainants and respondents to  
3 provide evidence to the director regarding the alleged complaint.  
4 The director shall dispose of all complaints within 120 days after  
5 receipt.

6 (2) If the director determines that an eligible authority or  
7 an eligible governmental agency as defined under section 10c of  
8 1951 PA 51, MCL 247.660c, has violated section 10e of 1951 PA 51,  
9 MCL 247.660e, the director shall withhold 10% of the funding  
10 received by the eligible authority or eligible governmental agency  
11 from the appropriation in part 1 for local bus operating,  
12 retroactive to the date that the complaint alleging violation of  
13 the charter prohibition was received by the director. For each  
14 subsequent violation of section 10e of 1951 PA 51, MCL 247.660e,  
15 the director shall withhold 20% of the funding received by the  
16 eligible authority or eligible governmental agency from the  
17 appropriation in part 1 for local bus operating.

18 Sec. 374. The department shall produce and distribute all  
19 employee newsletters electronically.

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

25 Sec. 376. No later than October 15, 2005, the department shall  
26 report to the senate and house of representatives appropriations  
27 subcommittees on transportation on the status of the 17 projects

1 that were initially deferred in the department's 5-year plan in  
2 2003 and subsequently restored.

3 Sec. 379. The department shall not spend any comprehensive  
4 transportation fund revenue appropriated in part 1 on operational  
5 planning for an eligible authority or eligible governmental agency  
6 in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

7 Sec. 380. (1) The department only shall use those  
8 appropriations contained in sections 114 and 115 to support the  
9 operations of the multi-modal transportation services bureau.  
10 Except as provided in subsection (2), the department is prohibited  
11 from charging any costs associated with the multi-modal  
12 transportation services bureau to any appropriation in part 1,  
13 other than the appropriations contained in sections 114 and 115,  
14 regardless of their funding source without an approved legislative  
15 transfer or an enacted supplemental appropriations bill.

16 (2) Funds not appropriated in sections 114 and 115 may be used  
17 to fund costs associated with multi-modal transportation services,  
18 aeronautics, or freight safety services activities related to  
19 federally eligible costs for project management, inspection, and  
20 administration of federally funded projects and for construction of  
21 safety inspections of rail projects.

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

26 Sec. 383. (1) The department, with assistance from the  
27 departments of state police, natural resources, and military and

1 veterans affairs, shall prepare a quarterly report on all travel by  
2 executive branch employees on state-owned, noncombat aircraft. The  
3 report shall include, by department, the name of the traveler, the  
4 travel origination location, the travel destination location, type  
5 of aircraft, and the total estimated costs associated with the air  
6 travel.

7 (2) From the funds appropriated in part 1, the department is  
8 prohibited from transporting employees of institutions of higher  
9 education on state-owned aircraft.

10 (3) From the funds appropriated in part 1, the department is  
11 prohibited from transporting legislators or legislative staff on  
12 state-owned aircraft without prior approval from the senate  
13 majority leader and/or the speaker of the house of representatives.

14 (4) From the funds appropriated in part 1, the department is  
15 prohibited from transporting local government employees on state-  
16 owned aircraft.

17 (5) It is the intent of the legislature that state elected  
18 officials use commercial or other private air service, unless air  
19 travel on state-owned aircraft is part of official state business.

20 Sec. 384. (1) From the funds appropriated in part 1, the  
21 department shall prepare a report on the operations of intelligent  
22 transportation service centers for the preceding fiscal year. The  
23 report shall include a description of all operations by service  
24 center location, a listing of contractor services provided at each  
25 service center location, and a listing of organizations, both  
26 private and public, that have access to the information generated  
27 at each service center location. The report shall be submitted to

1 the senate and house of representatives appropriations  
2 transportation subcommittees by December 1, 2005.

3 (2) By December 1, 2005, the department shall submit copies to  
4 the senate and house of representatives appropriations  
5 transportation subcommittees of all agreements, including memoranda  
6 of understanding, between the department and all private and public  
7 organizations that have access to each service center location.

8 (3) By December 1, 2005, the department shall establish  
9 uniform policies for public and private access to each service  
10 center location. Copies of these policies shall be submitted to the  
11 senate and house of representatives appropriations transportation  
12 subcommittees.

13 **FEDERAL**

14 Sec. 401. When the department receives authorization from the  
15 federal government to commit transportation funds pursuant to  
16 federal appropriations, it shall present to the senate and house of  
17 representatives appropriations transportation subcommittees and the  
18 senate and house fiscal agencies, the federal amounts and  
19 categories authorized and the department's recommendation for  
20 distribution of these funds. If a recommendation or recommendations  
21 are not approved within 30 business days by both the senate and  
22 house of representatives appropriations transportation  
23 subcommittees, then the recommendation or recommendations shall be  
24 considered as disapproved. If either the senate or house of  
25 representatives appropriations transportation subcommittees  
26 disapproves the proposed distribution, then the senate and house of

representatives appropriations transportation subcommittees and the department shall hold a joint meeting to develop a final distribution.

#### **MICHIGAN TRANSPORTATION FUND**

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

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

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

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs



1 based on actual interest earned at the end of each fiscal year.

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

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

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

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

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

2 (b) Description of services financed with transportation  
3 funds.

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

7 (3) Two months after publication of the state of Michigan  
8 comprehensive annual financial report, each state agency receiving  
9 an interdepartment and statutory contract from the department shall  
10 submit a written report to the department, the state budget  
11 director, and the house and senate fiscal agencies stating by  
12 spending authorization account the amount of estimated funds  
13 contracted with the department, the amount of funds expended, the  
14 amount of funds returned to the transportation funds, and any  
15 unreimbursed transportation-related costs incurred but not billed  
16 to transportation funds. A copy of the report shall be submitted to  
17 the auditor general and the report shall be subject to audit by the  
18 auditor general.

19 **STATE TRUNKLINE FUND**

20 Sec. 601. The department shall work with the road construction  
21 industry and engineering consulting community to develop  
22 performance and road construction warranties for construction  
23 contracts. The development of warranties shall include warranties  
24 on materials, workmanship, performance criteria, and design/build  
25 projects. The department will report by September 30 of each  
26 calendar year to the house of representatives and senate

1 appropriations subcommittees on transportation, the state budget  
2 director, and the house and senate fiscal agencies on the status of  
3 efforts to develop performance and road construction warranties.

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

14       Sec. 603. The department shall use traffic congestion as 1 of  
15 the criteria in determining the priorities for designating which  
16 roads shall be remediated in its 5-year road plan, which must be  
17 submitted on or before February 1, 2006. Criteria for evaluating  
18 traffic congestion shall include, but not be limited to,  
19 coordination with local, county, and regional planning, improvement  
20 in traffic operations, improvement in physical roadway conditions,  
21 accident reduction, and coordination with area public  
22 transportation planning.

23       Sec. 607. Funding shall be made available for the remediation  
24 of unsafe pedestrian crossings on state highways. Funds from this  
25 appropriation may be expended only as matching funds for up to 50%  
26 of project cost with additional project funding to be provided by  
27 local units of government or through private contributions.

1 Selected projects shall require the approval of the transportation  
2 commission. Maintenance of pedestrian overpasses constructed from  
3 funds made available through this appropriation shall be the  
4 responsibility of a local unit of government or public or private  
5 institutions of higher education.

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

13       Sec. 611. From the appropriations in part 1, the department  
14 shall use high-quality pavement marking materials for all state  
15 trunkline projects with a design life of 10 years or greater. The  
16 department shall coordinate with material suppliers, equipment  
17 manufacturers, and application contractors to ensure cost-effective  
18 improvements in durability and retro-reflectivity. The department  
19 shall identify pilot projects for demonstration of wet reflective  
20 characteristics. The department shall submit a report to both the  
21 house and senate appropriations committees and the house and senate  
22 fiscal agencies by January 31, 2007, that provides a report on the  
23 wet reflective pilot projects and the use of high-quality pavement  
24 marking materials in coordination with material suppliers,  
25 equipment manufacturers, and application contractors.

26       Sec. 612. The department shall establish guidelines governing  
27 incentives and disincentives provided under contracts for state

1 trunkline projects. The guidelines shall include specific financial  
2 information concerning incentives and disincentives. On or before  
3 January 1, 2006, the department shall prepare a report for the  
4 immediately preceding fiscal year regarding contract incentives and  
5 disincentives. This report shall include a list, by project, of the  
6 contractors that received contract incentives and/or disincentives,  
7 the amount of the incentives and/or disincentives, and the number  
8 of days that each project was completed either ahead or past the  
9 contracted completion date. This report shall be provided to the  
10 senate and house appropriations subcommittees on transportation,  
11 the senate and house standing committees on transportation, and the  
12 senate and house fiscal agencies.

13       Sec. 617. From the funds appropriated in part 1, the  
14 department shall proceed with the construction of a full  
15 interchange at the intersection of M-48 and I-75 in Chippewa  
16 County. The department shall develop design plans and award the  
17 construction contract for this project during the fiscal year  
18 ending September 30, 2006.

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

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

25       Sec. 625. From the funds appropriated in part 1, the  
26 department shall conduct a feasibility study regarding the  
27 construction of a full interchange between exits 212 and 215 on I-

1 75 in Ogemaw County at M-30. The study shall be completed and the  
2 findings communicated to the senate and house of representatives  
3 appropriations subcommittees on transportation by February 1, 2006.

4 Sec. 628. Funds appropriated in part 1 shall not be used to  
5 transfer investment management functions from the Mackinac Bridge  
6 Authority to the state treasurer. All bridge operating functions  
7 currently performed by the Mackinac Bridge Authority remain within  
8 the Mackinac Bridge Authority established under section 2 of 1950  
9 (Ex Sess) PA 21, MCL 254.302. The legislature concurs with the  
10 finding of the Governor's Mackinac Bridge Task Force established  
11 under Executive Order No. 1986-14 that the Mackinac Bridge  
12 Authority remain in existence and continue to operate and maintain  
13 the bridge in the future.

14 Sec. 635. From the funds appropriated in part 1, the  
15 department shall continue to use steady-burn or other warning  
16 lights on all channelizing devices and plastic drums during hours  
17 of darkness on all road and bridge improvement projects. The  
18 department shall enforce all specifications related to steady-burn  
19 or other warning lights on channelizing devices. It is the intent  
20 of the legislature that contractors withhold payment from  
21 subcontractors for failure to meet specifications related to  
22 steady-burn or other warning lights on channelizing devices.

23 Sec. 636. From the funds appropriated in part 1, the  
24 department shall construct a full interchange on I-69 at Graham  
25 Road in Lapeer County.

26 Sec. 637. From the funds appropriated in part 1, the  
27 department shall construct a nonmotorized vehicle bridge that

Senate Bill No. 281 as amended June 15, 2005

crosses the Boardman River between Hull Street and 10th Street in Traverse City.

Sec. 638. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange on I-96 and Latson Road in Livingston County.

Sec. 639. The department shall develop a plan and schedule to place signs on state highways that direct motorists to drive on the right half of the roadway in accordance with section 634 of the Michigan vehicle code, 1949 PA 300, MCL 257.634.

Sec. 640. The department shall develop a plan and schedule to place signs on state highways that direct motorists to yield the right-of-way to approaching emergency vehicles in accordance with section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653.

Sec. 641. From the funds appropriated in part 1, the department shall reconstruct the interchange at US-127 and Mission Road in Union Township, Isabella County.

<<Sec. 642. 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.

Sec. 643. From the funds appropriated in part 1, the department shall complete construction of the I-96 and Wixom Road interchange project.>>

#### **COMPREHENSIVE TRANSPORTATION FUND**

Sec. 701. Except as otherwise provided for in this section, money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of

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

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

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

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



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

10       Sec. 707. (1) For the fiscal year ending September 30, 2006,  
11 each eligible authority and each eligible governmental agency which  
12 provides public transportation services in urbanized areas with a  
13 Michigan population of less than or equal to 100,000 and  
14 nonurbanized areas under section 5311 of title 49 of the United  
15 States Code, 49 USC 5311, shall receive a grant of up to 60% of its  
16 eligible operating expenses. Each eligible authority and each  
17 eligible government agency which provides public transportation  
18 services in urbanized areas with a Michigan population of greater  
19 than 100,000 under section 5307 of title 49 of the United States  
20 Code, 49 USC 5307, shall receive a grant of up to 50% of its  
21 eligible operating expenses. The Detroit Transportation Corporation  
22 is not an eligible authority or eligible governmental agency under  
23 this act and is not eligible for grants funded from appropriations  
24 made in this act.

25       (2) On or before May 1, 2006, the department shall compile  
26 revised budgeted eligible operating expenses for each eligible  
27 authority and eligible governmental agency based on April 1, 2006

1 mid-year budget submissions. Funds remaining from the  
 2 appropriation in part 1 for local bus operating, after April 1,  
 3 2006, shall be distributed to each eligible authority and eligible  
 4 governmental agency based on revised budgeted eligible operating  
 5 expenses.

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

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

12	Between St. Ignace and Escanaba	US-2
13	Between Escanaba and Duluth	US-2 through Ironwood to the
14		state line
15	Between Calumet and Escanaba	US-41
16	Between Escanaba and Milwaukee	US-41 through Menominee to
17		the state line
18	Between St. Ignace and	
19	Sault Ste. Marie	I-75
20	Between Detroit and Chicago	I-94 from Detroit to the
21		state line
22	Between Detroit and Muskegon	I-96
23	Between Grand Rapids, Holland,	
24	and Benton Harbor	I-196 to I-94
25	Between Muskegon and Grand	
26	Rapids	US-31, I-96
27	Between Detroit and Bay City	I-75

1	Between Bay City and Mount	
2	Pleasant	US-10, M-20
3	Between Jackson and Traverse	US-127, US-27, I-75,
4	City	Grayling,
5		Gaylord, M-72 to Traverse
6		City
7	Between Jackson and	I-69, I-94 to the state line
8	Indianapolis	through Albion, Marshall,
9		and Coldwater
10	Between Houghton Lake and	
11	Cadillac	M-55 and M-66
12	Between Detroit and Toledo	I-75 to the state line
13	Between the Indiana state line	
14	and Traverse City	US-31 and I-196
15	Between Detroit and Port Huron	I-375 and I-94
16	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
17	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
18		Battle Creek, I-94 to the
19		state line
20	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
21		I-69
22	Between Bay City and St. Ignace	I-75, US-23
23	Between Grand Rapids and	US-131, Cadillac, M-115,
24	St. Ignace	Mesick, M-37 to Traverse
25		City, US-31, Acme, M-72,
26		Kalkaska, US-131, Boyne
27		Falls, M-75, Walloon Lake,

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

3 Between Kalamazoo and Grand

4 Rapids US-131

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

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

11 Sec. 710. Local transit agencies shall not establish new  
12 routes that duplicate existing routes served by intercity carriers  
13 when providing services under regional transportation service  
14 programs. Private intercity carriers shall be provided an  
15 opportunity to bid by local public transit agencies on services  
16 funded through the regional transportation service program. The  
17 department shall withhold all funding provided to a local public  
18 transit agency under section 10e(4)(a) of 1951 PA 51, MCL 247.660e,  
19 if the local public transit agency fails to provide intercity  
20 carriers with an opportunity to bid on services funded through the  
21 regional transportation service program.

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

1           (2) Any state subsidy for rail passenger service between Grand  
2 Rapids and Chicago and between Port Huron and Chicago shall be  
3 limited to the direct operating costs of rail passenger service  
4 between Grand Rapids and Chicago and between Port Huron and  
5 Chicago. Direct operating costs shall include the costs that are  
6 needed to provide staffing for passenger service kiosks at Port  
7 Huron, Flint, and East Lansing stations. Any state funding provided  
8 under this section shall not exceed \$6,100,000.00.

9           (3) The rail carrier shall, as a condition to receiving a  
10 state operating subsidy, establish a system to monitor, collect,  
11 and resolve customer complaints and shall make the information  
12 available to the department, the house and senate appropriations  
13 subcommittees on transportation, and the house and senate fiscal  
14 agencies.

15           (4) The department shall submit a report to both the house and  
16 senate appropriations committees and the house and senate fiscal  
17 agencies by January 1, 2006 that provides a 5-year history on  
18 services, ridership, and subsidies.

19           (5) Future state support for the service between Grand Rapids  
20 and Chicago and Port Huron and Chicago is dependent on the  
21 department's ability to provide a plan and a contract for services  
22 that increase ridership and revenue, reduce operating costs, and  
23 improve on-time performance. The department shall include a section  
24 in the report required in subsection (4) detailing efforts to  
25 reduce the dependence on state operating subsidies and projected  
26 operating expenses for the next 2 years, and recommending service  
27 alternatives, for the Grand Rapids to Chicago service and the Port

1 Huron to Chicago service.

2 (6) No state subsidy shall be provided from the funds  
3 appropriated in part 1 if the chosen rail carrier is Amtrak and  
4 Amtrak discontinued service or any portion of the service between  
5 Port Huron and Chicago or Grand Rapids and Chicago during the  
6 preceding fiscal year, unless the discontinuance of service was for  
7 track maintenance or was caused by acts of God.

8 Sec. 714. (1) The department, in cooperation with local  
9 transit agencies, shall work to ensure that demand-response  
10 services are provided throughout Michigan. The department shall  
11 continue to work with local units of government to address the  
12 unmet transit needs in Michigan.

13 (2) The department shall report by March 1, 2006 on its  
14 efforts to implement this section over the past 2 years.

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

24 Sec. 721. For federal transit administration bus acquisition  
25 capital grants matched with CTF funds appropriated in part 1,  
26 transit agencies shall have 4 years from the federal approval date  
27 to carry out their projects. Contract line items unobligated 4

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

13       Sec. 729. From the funds appropriated in section 117 for  
14 intercity bus service development, \$100,000.00 shall be used for  
15 lost ridership support and/or marketing efforts to increase  
16 awareness of intercity bus service, increase ridership on intercity  
17 bus carriers, and improve coordination of intercity bus service in  
18 Michigan.

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

24       Sec. 731. The department shall charge public transit agencies  
25 and intercity bus carriers equal rates per square foot for leasing  
26 space in state-owned intermodal facilities.

27       Sec. 732. (1) From the funds appropriated in part 1 for local

1 bus operating, eligible authorities and eligible governmental  
2 agencies receiving grants under section 10e of 1951 PA 51, MCL  
3 247.660e, shall equip vehicles with necessary operational lifts and  
4 certify to the department, in a format specified by the department,  
5 that those lifts are maintained and cycled on a regularly scheduled  
6 basis to ensure operability consistent with authority granted to  
7 the department under 1951 PA 51, MCL 247.651 to 247.675.

8 (2) By October 29, 2005, eligible authorities and eligible  
9 governmental agencies shall forward to the department, the senate  
10 and house appropriations subcommittees on transportation, the  
11 senate and house fiscal agencies, and the state budget director a  
12 report on the status of their fleet with respect to operational  
13 lifts pursuant to subsection (1). Eligible authorities and eligible  
14 governmental agencies shall specifically include information in the  
15 report on the number and percentage of the fleet with operational  
16 lifts, and the number and percentage of the fleet with operational  
17 lifts that are not in working order.

18 (3) An eligible authority or eligible governmental agency that  
19 reports, pursuant to subsection (2) that vehicles currently  
20 eligible for or in active service have lifts that are not  
21 operational, shall certify to the department by December 31, 2005  
22 that the nonoperational lifts have been repaired or replaced and  
23 are operational.

24 (4) By April 1, 2006, the department director shall certify,  
25 in writing, to the senate and house appropriations subcommittees on  
26 transportation, senate and house fiscal agencies, and the state  
27 budget director that the information provided by each eligible



1 authority or eligible governmental agency under subsections (2) and  
2 (3) is accurate to the best of the director's knowledge. In the  
3 event that the department director finds that the information  
4 provided by each eligible authority or eligible governmental agency  
5 under subsections (2) and (3) is inaccurate, the director shall  
6 notify the eligible authority or eligible governmental agency of  
7 the inaccuracies and require submission of a corrected report.

8 (5) Eligible authorities and eligible governmental agencies  
9 who report, pursuant to subsection (2), nonoperational lifts on  
10 vehicles currently eligible for or in active service, and who are  
11 unable to certify, pursuant to subsection (3), that lifts have been  
12 repaired or replaced by December 31, 2005, shall not receive 25% of  
13 their monthly local bus operating grant, beginning January 1, 2006.  
14 Persons 65 years of age or older and persons with disabilities  
15 shall be exempt from fare box charges for the period an eligible  
16 authority or eligible governmental agency has funds withheld  
17 pursuant to this subsection.

18 (6) If the eligible authority or eligible governmental agency  
19 certifies on or before April 30, 2006 that lifts reported as  
20 nonoperational pursuant to subsections (3) and (4) are now  
21 operational, funds withheld during the period subsequent to  
22 December 31, 2005 shall be forwarded to the applicable eligible  
23 authority or eligible governmental agency. If the applicable lifts  
24 are not operational by April 30, 2006, funds withheld pursuant to  
25 subsection (4) shall be forfeited and deposited to the  
26 comprehensive transportation fund.

27 (7) The department shall report to the senate and house

1 appropriations subcommittees on transportation, senate and house  
2 fiscal agencies, and the state budget director on September 30,  
3 2006, regarding actions taken with respect to implementation of  
4 this section.

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

8 Sec. 734. (1) The department shall ensure that all public  
9 transit agencies provide the highest quality public transit service  
10 by moving people in a cost-effective, safe, and user-friendly  
11 manner that maintains and attracts residents and businesses.

12 (2) Public transit agencies receiving funds under part 1 shall  
13 do all of the following:

14 (a) Provide efficient, cost-effective, safe, well-maintained,  
15 reliable, customer-driven transportation services.

16 (b) Provide a quality work environment that has and fulfills  
17 employee performance, productivity, and development standards.

18 (c) Identify and capture all available funding or create cost-  
19 effective programs to eliminate debt and have a balanced budget.

20 (d) Maintain sufficient local and community funding.

21 (e) Support business development by providing transportation  
22 to areas of employment and commerce, emerging or established  
23 businesses, and health care facilities.

24 Sec. 735. From the funds appropriated in part 1 for commission  
25 audit, the department shall produce annual audits for previous  
26 years including the immediately preceding fiscal year of all  
27 outstanding contract payments and payments under the local bus

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operating appropriations pertinent to each eligible authority and eligible governmental agency. The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director by March 1, 2006 regarding actions taken with respect to implementation of this section.

<<Sec. 736. From the funds appropriated in part 1, the department shall work with intercity rail and bus passenger carriers to coordinate intercity passenger transportation in Michigan. The department shall assist in the coordination of intercity routes, schedules, and facilities.>>

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

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

Enacting section 1. This act does not take effect unless Senate Bill No. 572 of the 93rd Legislature is enacted into law.