

**SUBSTITUTE FOR
SENATE BILL NO. 1097**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2007; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state

transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2007, 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..... 3,016.3

GROSS APPROPRIATION..... \$ 3,431,268,600

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION..... \$ 3,431,268,600

Federal revenues:

DOT, federal transit act..... 60,387,800

DOT-FHWA, highway research, planning, and construction 1,107,898,200

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

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

Total federal revenues..... 1,169,386,000

Special revenue funds:

Local funds..... 47,500,000

Total local revenues..... 47,500,000

Total private revenues..... 0

Blue Water Bridge fund..... 17,342,200

Comprehensive transportation fund..... 250,732,000

Economic development fund..... 56,417,800

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

1	Local bridge fund.....	33,455,300
2	Michigan transportation fund.....	1,094,648,900
3	Rail preservation fund.....	2,000,000
4	State aeronautics fund.....	14,934,000
5	State trunkline fund.....	743,852,400
6	Total other state restricted revenues.....	2,214,382,600
7	State general fund/general purpose.....	\$ 0
8	Sec. 102. DEBT SERVICE	
9	State trunkline.....	\$ 152,300,400
10	Economic development.....	15,025,800
11	Local bridge fund.....	3,000,000
12	Blue Water Bridge.....	2,878,600
13	Airport safety and protection plan.....	5,000,000
14	Comprehensive transportation.....	<u>29,415,200</u>
15	GROSS APPROPRIATION.....	\$ 207,620,000
16	Appropriated from:	
17	Federal revenues:	
18	DOT-FHWA, highway research, planning, and construction	55,000,000
19	Special revenue funds:	
20	Blue Water Bridge fund.....	2,878,600
21	Comprehensive transportation fund.....	28,807,800
22	Economic development fund.....	15,025,800
23	Local bridge fund.....	3,000,000
24	State aeronautics fund.....	5,607,400
25	State trunkline fund.....	97,300,400
26	State general fund/general purpose.....	\$ 0
27	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	

1	MTF grant to department of environmental quality	\$	1,020,800
2	MTF grant to department of state for collection of		
3	revenue and fees		20,000,000
4	MTF grant to department of treasury		8,800,000
5	MTF grant to legislative auditor general		204,300
6	STF grant to department of attorney general		2,708,300
7	STF grant to department of civil service		2,700,000
8	STF grant to department of history, arts, and		
9	libraries		73,500
10	STF grant to department of management and budget		1,366,500
11	STF grant to department of state police		7,967,000
12	STF grant to department of treasury		212,900
13	STF grant to legislative auditor general		474,600
14	SAF grant to department of attorney general		151,400
15	SAF grant to department of civil service		55,000
16	SAF grant to department of history, arts, and		
17	libraries		2,100
18	SAF grant to department of management and budget		38,600
19	SAF grant to department of treasury		74,300
20	SAF grant to legislative auditor general		19,600
21	CTF grant to attorney general		153,400
22	CTF grant to department of civil service		95,000
23	CTF grant to department of history, arts, and		
24	libraries		3,400
25	CTF grant to department of management and budget		62,400
26	CTF grant to department of treasury		2,400
27	CTF grant to legislative auditor general		<u>25,200</u>

1	GROSS APPROPRIATION.....	\$	46,210,700
2	Appropriated from:		
3	Special revenue funds:		
4	Comprehensive transportation fund.....		341,800
5	Michigan transportation fund.....		30,025,100
6	State aeronautics fund.....		341,000
7	State trunkline fund.....		15,502,800
8	State general fund/general purpose.....	\$	0
9	Sec. 104. EXECUTIVE DIRECTION		
10	Full-time equated unclassified positions.....	6.0	
11	Full-time equated classified positions.....	31.3	
12	Director.....	\$	140,400
13	Chief deputy.....		114,400
14	Communications director.....		74,300
15	Governmental affairs director.....		93,600
16	UPTRAN director.....		41,900
17	Commission advisor.....		67,600
18	Asset management council.....		1,626,400
19	Commission audit		
20	Salaries and fringe benefits--31.3 FTE positions.....		3,261,500
21	Travel.....		56,700
22	Other operational expenses.....		64,700
23	Subtotal - commission audit.....		<u>3,382,900</u>
24	GROSS APPROPRIATION.....	\$	5,541,500
25	Appropriated from:		
26	Special revenue funds:		
27	Michigan transportation fund.....		1,626,400

1	State trunkline fund.....		3,915,100
2	State general fund/general purpose.....	\$	0
3	Sec. 105. BUSINESS SUPPORT		
4	Full-time equated classified positions.....		56.5
5	Executive office		
6	Salaries and fringe benefits--10.5 FTE positions.....	\$	1,205,400
7	Travel.....		69,300
8	Other operational expenses.....		116,400
9	Subtotal - executive office.....		1,391,100
10	Communications		
11	Salaries and fringe benefits--12.0 FTE positions.....		1,166,000
12	Travel.....		40,100
13	Other operational expenses.....		191,200
14	Subtotal - communications.....		1,397,300
15	Governmental affairs		
16	Salaries and fringe benefits--3.0 FTE positions.....		368,200
17	Travel.....		3,000
18	Other operational expenses.....		17,500
19	Subtotal - governmental affairs.....		388,700
20	Human resources		
21	Salaries and fringe benefits--22.0 FTE positions.....		2,260,800
22	Travel.....		18,200
23	Other operational expenses.....		208,800
24	Subtotal - human resources.....		2,487,800
25	Economic development and enhancement programs		
26	Salaries and fringe benefits--9.0 FTE positions.....		1,034,600
27	Travel.....		24,600

1	Other operational expenses.....	71,800
2	Subtotal - economic development and enhancement	
3	programs	1,131,000
4	Property management.....	7,331,500
5	Human resources optimization user charges.....	199,500
6	Worker's compensation.....	<u>2,136,000</u>
7	GROSS APPROPRIATION.....	\$ 16,462,900
8	Appropriated from:	
9	Special revenue funds:	
10	Comprehensive transportation fund.....	1,354,700
11	Economic development fund.....	485,300
12	Michigan transportation fund.....	175,800
13	State aeronautics fund.....	886,500
14	State trunkline fund.....	13,560,600
15	State general fund/general purpose.....	\$ 0
16	Sec. 106. INFORMATION TECHNOLOGY	
17	Information technology services and projects.....	\$ <u>27,876,500</u>
18	GROSS APPROPRIATION.....	\$ 27,876,500
19	Appropriated from:	
20	Federal revenues:	
21	DOT-FHWA, highway research, planning, and construction	1,446,900
22	Special revenue funds:	
23	Blue Water Bridge fund.....	47,000
24	Comprehensive transportation fund.....	234,300
25	Economic development fund.....	37,100
26	Michigan transportation fund.....	243,400
27	State aeronautics fund.....	143,700

1	State trunkline fund.....		25,724,100
2	State general fund/general purpose.....	\$	0
3	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES		
4	Full-time equated classified positions.....		249.5
5	Financial operations		
6	Salaries and fringe benefits--79.0 FTE positions.....	\$	6,765,800
7	Travel.....		32,700
8	Other operational expenses.....		840,000
9	Subtotal - financial operations.....		7,638,500
10	Contract services		
11	Salaries and fringe benefits--34.1 FTE positions.....		2,944,200
12	Travel.....		17,000
13	Other operational expenses.....		211,200
14	Subtotal - contract services.....		3,172,400
15	Technical and support services		
16	Salaries and fringe benefits--75.4 FTE positions.....		6,599,900
17	Travel.....		188,600
18	Other operational expenses.....		1,856,800
19	Subtotal - technical and support services.....		8,645,300
20	Performance excellence		
21	Salaries and fringe benefits--6.0 FTE positions.....		584,100
22	Travel.....		6,300
23	Other operational expenses.....		102,700
24	Subtotal - performance excellence.....		693,100
25	Welcome center operations		
26	Salaries and fringe benefits--55.0 FTE positions.....		3,816,100
27	Travel.....		50,500

1	Other operational expenses.....	842,500
2	Subtotal - welcome center operations.....	<u>4,709,100</u>
3	GROSS APPROPRIATION.....	\$ 24,858,400
4	Appropriated from:	
5	Special revenue funds:	
6	Michigan transportation fund.....	1,403,900
7	State trunkline fund.....	23,454,500
8	State general fund/general purpose.....	\$ 0
9	Sec. 108. TRANSPORTATION PLANNING	
10	Full-time equated classified positions.....	174.0
11	Statewide planning services	
12	Salaries and fringe benefits--122.0 FTE positions....	\$ 12,263,200
13	Travel.....	150,000
14	Other operational expenses.....	500,000
15	Subtotal - statewide planning services.....	12,913,200
16	Data collection services	
17	Salaries and fringe benefits--52.0 FTE positions....	4,384,700
18	Travel.....	350,000
19	Other operational expenses.....	746,000
20	Subtotal - data collection services.....	5,480,700
21	Specialized planning services and local studies.....	16,798,200
22	Grants to regional planning councils.....	<u>488,800</u>
23	GROSS APPROPRIATION.....	\$ 35,680,900
24	Appropriated from:	
25	Federal revenues:	
26	DOT-FHWA, highway research, planning, and construction	22,000,000
27	Special revenue funds:	

1	Comprehensive transportation fund.....		1,060,300
2	Michigan transportation fund.....		6,304,500
3	State aeronautics fund.....		261,900
4	State trunkline fund.....		6,054,200
5	State general fund/general purpose.....	\$	0
6	Sec. 109. DESIGN AND ENGINEERING SERVICES		
7	Full-time equated classified positions.....		1,516.4
8	Engineering services		
9	Salaries and fringe benefits--802.2 FTE positions....	\$	42,777,000
10	Travel.....		1,856,400
11	Other operational expenses.....		10,904,500
12	Subtotal - engineering services.....		55,537,900
13	Program services		
14	Salaries and fringe benefits--703.7 FTE positions....		30,599,800
15	Travel.....		968,500
16	Other operational expenses.....		5,428,300
17	Subtotal - program services.....		36,996,600
18	Intelligent transportation systems operations--10.5		
19	FTE positions		<u>9,977,600</u>
20	GROSS APPROPRIATION.....	\$	102,512,100
21	Appropriated from:		
22	Federal revenues:		
23	DOT-FHWA, highway research, planning, and construction		15,226,200
24	Special revenue funds:		
25	Michigan transportation fund.....		5,331,200
26	State trunkline fund.....		81,954,700
27	State general fund/general purpose.....	\$	0

1	Sec. 110. HIGHWAY MAINTENANCE		
2	Full-time equated classified positions.....	825.6	
3	State trunkline operations		
4	Salaries and fringe benefits--825.6 FTE positions	\$	66,176,100
5	Travel.....		1,704,300
6	Other operational expenses.....		61,460,800
7	Subtotal - state trunkline operations.....		129,341,200
8	Contract operations.....		<u>145,823,700</u>
9	GROSS APPROPRIATION.....	\$	275,164,900
10	Appropriated from:		
11	Special revenue funds:		
12	State trunkline fund.....		275,164,900
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	\$	988,757,200
17	Local federal aid and road and bridge construction...		259,689,000
18	Grants to local programs.....		33,000,000
19	Rail grade crossing.....		3,000,000
20	Local bridge fund.....		30,455,300
21	County road commissions.....		649,447,500
22	Cities and villages.....		<u>362,096,000</u>
23	GROSS APPROPRIATION.....	\$	2,326,445,000
24	Appropriated from:		
25	Federal revenues:		
26	DOT-FHWA, highway research, planning, and construction		1,014,225,100
27	Special revenue funds:		

1	Local funds.....		30,000,000
2	Blue Water Bridge fund.....		3,000,000
3	Local bridge fund.....		30,455,300
4	Michigan transportation fund.....		1,047,543,500
5	State trunkline fund.....		201,221,100
6	State general fund/general purpose.....	\$	0
7	Sec. 112. BLUE WATER BRIDGE		
8	Full-time equated classified positions.....	41.0	
9	Salaries and fringe benefits--41.0 FTE positions.....	\$	3,296,600
10	Travel.....		20,000
11	Other operational expenses.....		<u>8,100,000</u>
12	GROSS APPROPRIATION.....	\$	11,416,600
13	Appropriated from:		
14	Special revenue funds:		
15	Blue Water Bridge fund.....		11,416,600
16	State general fund/general purpose.....	\$	0
17	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
18	Forest roads.....	\$	5,040,000
19	Rural county urban system.....		2,500,000
20	Target industries/economic redevelopment.....		17,966,200
21	Urban county congestion.....		7,681,700
22	Rural county primary.....		<u>7,681,700</u>
23	GROSS APPROPRIATION.....	\$	40,869,600
24	Appropriated from:		
25	Special revenue funds:		
26	Economic development fund.....		40,869,600
27	State general fund/general purpose.....	\$	0

1	Sec. 114. AERONAUTICS SERVICES		
2	Full-time equated classified positions.....	56.0	
3	Airport improvement services		
4	Salaries and fringe benefits--30.0 FTE positions	\$	2,471,000
5	Travel.....		125,300
6	Other operational expenses.....		276,500
7	Subtotal - airport improvement services.....		2,872,800
8	Aviation services		
9	Salaries and fringe benefits--26.0 FTE positions		2,087,900
10	Travel.....		82,100
11	Other operational expenses.....		1,950,700
12	Subtotal - aviation services.....		4,120,700
13	Air service program.....		<u>700,000</u>
14	GROSS APPROPRIATION.....	\$	7,693,500
15	Appropriated from:		
16	Special revenue funds:		
17	State aeronautics fund.....		7,693,500
18	State general fund/general purpose.....	\$	0
19	Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT		
20	SERVICES		
21	Full-time equated classified positions.....	66.0	
22	Freight and safety services		
23	Salaries and fringe benefits--36.0 FTE positions	\$	3,580,800
24	Travel.....		113,600
25	Other operational expenses.....		426,700
26	Subtotal - freight and safety services.....		4,121,100
27	Passenger transportation services		

1	Salaries and fringe benefits--30.0 FTE positions	2,932,700
2	Travel.....	81,600
3	Other operational expenses.....	201,800
4	Subtotal - passenger transportation services	<u>3,216,100</u>
5	GROSS APPROPRIATION.....	\$ 7,337,200
6	Appropriated from:	
7	Federal revenues:	
8	DOT, federal transit act.....	787,800
9	Special revenue funds:	
10	Comprehensive transportation fund.....	4,554,300
11	Michigan transportation fund.....	1,995,100
12	State general fund/general purpose.....	\$ 0
13	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
14	Local bus operating.....	\$ 166,624,000
15	Nonurban operating/capital.....	<u>18,000,000</u>
16	GROSS APPROPRIATION.....	\$ 184,624,000
17	Appropriated from:	
18	Federal revenues:	
19	DOT, federal transit act.....	16,000,000
20	Special revenue funds:	
21	Local funds.....	2,000,000
22	Comprehensive transportation fund.....	166,624,000
23	State general fund/general purpose.....	\$ 0
24	Sec. 117. INTERCITY PASSENGER AND FREIGHT	
25	Freight property management.....	\$ 1,000,000
26	Detroit/Wayne County port authority.....	500,000
27	Intercity bus equipment.....	2,300,000

1	Rail passenger service.....	7,200,000
2	Freight preservation and development.....	4,892,900
3	Rail infrastructure loan program.....	1,000,000
4	Intercity bus service development.....	4,850,000
5	Marine passenger services.....	400,000
6	Terminal development.....	<u>1,651,300</u>
7	GROSS APPROPRIATION.....	\$ 23,794,200
8	Appropriated from:	
9	Federal revenues:	
10	DOT, federal transit act.....	3,500,000
11	DOT-FRA, local rail service assistance.....	100,000
12	DOT-FRA, rail passenger/HSGT.....	1,000,000
13	Special revenue funds:	
14	Local funds.....	50,000
15	Comprehensive transportation fund.....	16,144,200
16	Intercity bus equipment fund.....	1,000,000
17	Rail preservation fund.....	2,000,000
18	State general fund/general purpose.....	\$ 0
19	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
20	Specialized services.....	\$ 11,300,100
21	Municipal credit program.....	2,000,000
22	Bus capital.....	58,971,500
23	Van pooling.....	195,000
24	Service initiatives.....	850,000
25	Transportation to work.....	<u>13,844,000</u>
26	GROSS APPROPRIATION.....	\$ 87,160,600
27	Appropriated from:	

1	Federal revenues:	
2	DOT, federal transit act.....	40,100,000
3	Special revenue funds:	
4	Local funds.....	15,450,000
5	Comprehensive transportation fund.....	31,610,600
6	State general fund/general purpose.....	\$ 0

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 **GENERAL SECTIONS**

10 Sec. 201. Pursuant to section 30 of article IX of the state

11 constitution of 1963, total state spending from state resources

12 under part 1 for fiscal year 2006-2007 is \$2,214,382,600.00 and

13 state spending from state resources to be paid to local units of

14 government for fiscal year 2006-2007 is \$1,296,393,400.00. The

15 itemized statement below identifies appropriations from which

16 spending to units of local government will occur:

17 DEPARTMENT OF TRANSPORTATION

18	Grants to local programs.....	\$ 33,000,000
19	Economic development fund.....	21,966,200
20	Grants to cities and villages.....	362,096,000
21	Grants to county road commissions.....	649,447,500
22	Local bridge fund.....	30,455,300
23	Grants to regional planning councils.....	488,800
24	Local bus operating.....	166,624,000
25	Bus capital.....	21,471,500

1	Marine passenger service.....	400,000
2	Detroit/Wayne County port authority.....	500,000
3	Municipal credit program.....	2,000,000
4	Specialized services.....	4,100,100
5	Transportation to work.....	<u>3,844,000</u>
6	Total payments to local units of government	\$ 1,296,393,400

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

10 Sec. 203. As used in this article:

11 (a) "CTF" means comprehensive transportation fund.

12 (b) "Department" means the department of transportation.

13 (c) "DOT" means the United States department of
14 transportation.

15 (d) "DOT-FHWA" means DOT, federal highway administration.

16 (e) "DOT-FRA" means DOT, federal railroad administration.

17 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
18 administration, high-speed ground transportation.

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

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

21 (i) "MTF" means Michigan transportation fund.

22 (j) "RIF" means recreation improvement fund.

23 (k) "SAF" means state aeronautics fund.

24 (l) "STF" means state trunkline fund.

25 Sec. 204. The department of civil service shall bill the
26 departments and agencies at the end of the first fiscal quarter for
27 the 1% charge authorized by section 5 of article XI of the state

1 constitution of 1963. Payments shall be made for the total amount
2 of the billing by the end of the second fiscal quarter.

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

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

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

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

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

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

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

1 communities for services, supplies, or both.

2 Sec. 211. The departments and state agencies receiving
3 appropriations under this article shall receive and retain copies
4 of all reports funded from appropriations in part 1. These
5 departments and state agencies shall follow federal and state
6 guidelines for short-term and long-term retention of these reports
7 and records.

8 Sec. 259. From the funds appropriated in part 1 for
9 information technology, the department shall pay user fees to the
10 department of information technology for technology-related
11 services and projects. The user fees shall be subject to provisions
12 of an interagency agreement between the department and the
13 department of information technology.

14 Sec. 260. (1) Due to the current budgetary problems in this
15 state, out-of-state travel for the fiscal year ending September 30,
16 2007 shall be limited to situations in which 1 or more of the
17 following conditions apply:

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

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

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

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

1 (e) The travel is necessary to secure specialized training for
2 staff that is not available within this state, or through the
3 Internet, computer classes, or correspondence.

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

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

11 (3) Not later than January 1 of each year, each department
12 shall prepare a travel report listing all travel by classified and
13 unclassified employees outside this state in the immediately
14 preceding fiscal year that was funded in whole or in part with
15 funds appropriated in the department's budget. The report shall be
16 submitted to the chairs and members of the house and senate
17 appropriations committees, the fiscal agencies, and the state
18 budget director. The report shall include the following
19 information:

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

22 (b) The destination of each travel occurrence.

23 (c) The dates of each travel occurrence.

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

26 (e) The transportation and related costs of each travel
27 occurrence, including the proportion funded with state general

1 fund/general purpose revenues, the proportion funded with state
2 restricted revenues, the proportion funded with federal revenues,
3 and the proportion funded with other revenues.

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

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

9 **DEPARTMENTAL SECTIONS**

10 Sec. 301. (1) The department may establish a fee schedule and
11 collect fees sufficient to cover the costs to issue the permits
12 that the department is authorized by law to issue upon request, and
13 for fees associated with freedom of information requests. Unless
14 otherwise authorized by statute, all fee revenue shall be credited
15 to the state trunkline fund to recover the direct and indirect
16 costs of receiving, reviewing, and processing the requests.

17 (2) A bridge authority shall hold 3 public hearings on an
18 increase in any toll charged by the authority at least 30 days
19 before the toll change will become effective. Two of the hearings
20 shall be held within 5 miles of the bridge over which the bridge
21 authority has jurisdiction. One hearing shall be held in Lansing.
22 Public hearings held under this section shall be conducted in
23 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
24 15.275, and shall be conducted so as to provide a reasonable
25 opportunity for public comment, including both spoken and written
26 comments.

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

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

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

19 Sec. 306. Biennially, in each odd-numbered fiscal year, the
20 auditor general shall conduct an audit of charges to transportation
21 funds by state departments for the 2 preceding fiscal years. The
22 auditor general shall prepare a detailed report, with
23 recommendations and conclusions, including a list of services
24 charged to transportation funds, the appropriateness of those
25 charges, the cost allocation methodologies used in determining the
26 level of funding, and any unreimbursed costs. The report shall be
27 provided, upon request, to any member of the senate and house of

1 representatives, senate and house fiscal agencies, and the state
2 budget director 6 months after publication of the state of Michigan
3 comprehensive annual financial report.

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

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

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

24 Sec. 310. The department shall provide in a timely manner
25 copies of the agenda and approved minutes of monthly transportation
26 commission meetings to the members of the house and senate
27 appropriations subcommittees on transportation, the house and

1 senate fiscal agencies, and the state budget director.

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

6 Sec. 312. At the close of the fiscal year, any unencumbered
7 and unexpended balance in the state trunkline fund shall remain in
8 the state trunkline fund and shall carry forward and is
9 appropriated for federal aid road and bridge programs for projects
10 contained in the annual state transportation program.

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

19 (2) In addition to funds provided in subsection (1), money
20 received by the state as federal grants, repayment of state
21 infrastructure bank loans, or other reimbursement or revenue
22 received by the state as a result of projects funded by the program
23 and interest earned on that money shall be deposited in the
24 revolving state infrastructure bank fund and shall be available for
25 transportation infrastructure projects. At the close of the fiscal
26 year, any unencumbered funds remaining in the state infrastructure
27 bank fund shall remain in the fund and be carried forward into the

1 succeeding fiscal year.

2 Sec. 314. The department shall provide a report prepared by
3 the department's internal auditor on the activities of the internal
4 auditor for the previous fiscal year. The report shall be due on
5 February 1, 2007 and shall be submitted to the senate and house of
6 representatives appropriations committees, the senate and house
7 fiscal agencies, the director of the state budget office, and the
8 auditor general. This report shall include a list of all of the
9 following:

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

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

14 (c) A listing of which audits, reviews, and investigations
15 have been completed and which audits, reviews, and investigations
16 have had reports of the results issued.

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

22 Sec. 324. From the funds appropriated in part 1, \$500,000.00
23 from the state trunkline fund shall be used for enhanced
24 construction zone traffic law enforcement and the "give 'em a
25 brake" campaign. The funding shall be used to reimburse law
26 enforcement agencies for costs associated with construction zone
27 traffic enforcement. The funding shall be provided based on

1 approved memoranda of understanding between the department and
2 participating law enforcement agencies.

3 Sec. 334. The department shall continue its program to
4 increase the use of women- and minority-owned businesses in state
5 and local road construction projects. This program shall comprise,
6 at a minimum, outreach and education efforts to inform women- and
7 minority-owned firms of department competitive bidding processes
8 and requirements, and an assessment of the availability of surety
9 for women- and minority-owned businesses. The department shall
10 report by March 31, 2007, to the house and senate appropriations
11 subcommittees on transportation and the house and senate fiscal
12 agencies of its progress in complying with this section.

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

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

23 Sec. 361. The department will notify the senate and house
24 appropriations subcommittees on transportation, the senate and
25 house fiscal agencies, and the state budget director of any changes
26 to the services or function of the multi-modal transportation
27 services program as approved by the state transportation

1 commission.

2 Sec. 370. From the funds appropriated in part 1, the
3 department shall maintain a complaint process to enforce the
4 charter service prohibition contained in section 10e of 1951 PA 51,
5 MCL 247.660e. The complaint process shall be independent from the
6 charter service complaint process administered by the federal
7 department of transportation, federal transit administration under
8 49 CFR part 604. The process shall allow complainants to file
9 written complaints with the director, either through the United
10 States mail or through the department's Internet site. The process
11 shall allow complainants and respondents to provide evidence to the
12 director regarding the alleged complaint. The director shall
13 dispose of all complaints within 120 days after receipt.

14 Sec. 374. The department shall produce and distribute all
15 employee newsletters electronically.

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

21 Sec. 376. No later than October 15, 2006, the department shall
22 report to the senate and house of representatives appropriations
23 subcommittees on transportation on the status of the 17 projects
24 that were initially deferred in the department's 5-year plan in
25 2003 and subsequently restored.

26 Sec. 379. The department shall not spend any comprehensive
27 transportation fund revenue appropriated in part 1 on operational

1 planning for an eligible authority or eligible governmental agency
2 in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

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

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

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

22 Sec. 383. (1) The department, with assistance from the
23 departments of state police, natural resources, and military and
24 veterans affairs, shall prepare a quarterly report on all travel by
25 executive branch employees on state-owned, noncombat aircraft. The
26 report shall include, by department, the name of the traveler, the
27 travel origination location, the travel destination location, type

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1 of aircraft, and the total estimated costs associated with the air
2 travel.

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

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

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

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

<<Sec. 384. From the funds appropriated in part 1, the department
shall not use any funds to support the Detroit River international
crossing study or to implement any recommendations made from such
study.>>

16 **FEDERAL**

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

1 considered as disapproved. If either the senate or house of
2 representatives appropriations transportation subcommittees
3 disapproves the proposed distribution, then the senate and house of
4 representatives appropriations transportation subcommittees and the
5 department shall hold a joint meeting to develop a final
6 distribution.

7 Sec. 402. A portion of the federal DOT-FHWA highway research,
8 planning, and construction funds made available to the state shall
9 be allocated to transportation programs administered by local
10 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
11 247.660o. A local road agency, with respect to a project approved
12 for federal aid funding in a state transportation improvement
13 program, may enter into a voluntary buyout agreement with the
14 department or with another local road agency to exchange the
15 federal aid with state restricted transportation funds as agreed to
16 by the respective parties. Exchanged funds shall be used for the
17 original purpose.

18 **MICHIGAN TRANSPORTATION FUND**

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

23 Sec. 502. The department of treasury shall perform audits and
24 make investigations of the disposition of all state funds received
25 by county road commissions or county boards of commissioners, as
26 applicable, and cities and villages for transportation purposes to

1 determine compliance with the terms and conditions of 1951 PA 51,
2 MCL 247.651 to 247.675. County road commissions or county boards of
3 commissioners, as applicable, and cities and villages shall make
4 available to the department of treasury the pertinent records for
5 the audit.

6 Sec. 503. (1) The funds appropriated in part 1 for the
7 economic development and local bridge programs shall not lapse at
8 the end of the fiscal year but shall carry forward each fiscal year
9 for the purposes for which appropriated in accordance with 1987 PA
10 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
11 247.660.

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

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

21 (4) None of the funds statutorily dedicated to the
22 transportation economic development fund and local bridge fund
23 shall be diverted to other projects.

24 Sec. 504. (1) Funds from the Michigan transportation fund
25 (MTF) shall be distributed to the comprehensive transportation fund
26 (CTF), the economic development fund (EDF), the recreation
27 improvement fund (RIF), and the state trunkline fund (STF), in

1 accordance with this act and part 711 of the natural resources and
2 environmental protection act, 1994 PA 451, MCL 324.71101 to
3 324.71108, and may only be used as specified in this act, 1951 PA
4 51, MCL 247.651 to 247.675, and part 711 of the natural resources
5 and environmental protection act, 1994 PA 451, MCL 324.71101 to
6 324.71108.

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

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

16 (b) Description of services financed with transportation
17 funds.

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

21 (3) Two months after publication of the state of Michigan
22 comprehensive annual financial report, each state agency receiving
23 an interdepartment and statutory contract from the department shall
24 submit a written report to the department, the state budget
25 director, and the house and senate fiscal agencies stating by
26 spending authorization account the amount of estimated funds
27 contracted with the department, the amount of funds expended, the

1 amount of funds returned to the transportation funds, and any
2 unreimbursed transportation-related costs incurred but not billed
3 to transportation funds. A copy of the report shall be submitted to
4 the auditor general and the report shall be subject to audit by the
5 auditor general.

6 **STATE TRUNKLINE FUND**

7 Sec. 601. The department shall work with the road construction
8 industry and engineering consulting community to develop
9 performance and road construction warranties for construction
10 contracts. The development of warranties shall include warranties
11 on materials, workmanship, performance criteria, and design/build
12 projects. The department will report by September 30 of each
13 calendar year to the house of representatives and senate
14 appropriations subcommittees on transportation, the state budget
15 director, and the house and senate fiscal agencies on the status of
16 efforts to develop performance and road construction warranties.

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

1 Sec. 603. The department shall use traffic congestion as 1 of
2 the criteria in determining the priorities for designating which
3 roads shall be remediated in its 5-year road plan, which must be
4 submitted on or before February 1, 2007. Criteria for evaluating
5 traffic congestion shall include, but not be limited to,
6 coordination with local, county, and regional planning, improvement
7 in traffic operations, improvement in physical roadway conditions,
8 accident reduction, and coordination with area public
9 transportation planning.

10 Sec. 607. Funding shall be made available for the remediation
11 of unsafe pedestrian crossings on state highways. Funds from this
12 appropriation may be expended only as matching funds for up to 50%
13 of project cost with additional project funding to be provided by
14 local units of government or through private contributions.
15 Selected projects shall require the approval of the transportation
16 commission. Maintenance of pedestrian overpasses constructed from
17 funds made available through this appropriation shall be the
18 responsibility of a local unit of government or public or private
19 institutions of higher education.

20 Sec. 610. It is the intent of the legislature that the
21 department have as a priority the removal of dead deer and other
22 large animal remains from the traveled portion and shoulder of
23 state highways. The department, and counties that perform state
24 highway maintenance under contract, shall remove animal remains,
25 wherever practicable, away from the traveled portion and shoulder
26 of state highways.

27 Sec. 611. From the appropriations in part 1, the department

1 shall use high-quality pavement marking materials for all state
2 trunkline projects with a design life of 10 years or greater. The
3 department shall coordinate with material suppliers, equipment
4 manufacturers, and application contractors to ensure cost-effective
5 improvements in durability and retro-reflectivity. The department
6 shall identify pilot projects for demonstration of wet reflective
7 characteristics. The department shall submit a report to both the
8 house and senate appropriations committees and the house and senate
9 fiscal agencies by January 31, 2007, that provides a report on the
10 wet reflective pilot projects and the use of high-quality pavement
11 marking materials in coordination with material suppliers,
12 equipment manufacturers, and application contractors.

13 Sec. 612. The department shall establish guidelines governing
14 incentives and disincentives provided under contracts for state
15 trunkline projects. The guidelines shall include specific financial
16 information concerning incentives and disincentives. On or before
17 January 1, 2007, the department shall prepare a report for the
18 immediately preceding fiscal year regarding contract incentives and
19 disincentives. This report shall include a list, by project, of the
20 contractors that received contract incentives and/or disincentives,
21 the amount of the incentives and/or disincentives, and the number
22 of days that each project was completed either ahead or past the
23 contracted completion date. This report shall be provided to the
24 senate and house appropriations subcommittees on transportation,
25 the senate and house standing committees on transportation, and the
26 senate and house fiscal agencies.

27 Sec. 613. From the funds appropriated in part 1, the

1 department shall implement a comprehensive signage program on I-94,
2 US-127, US-223, M-50, US-23, and I-69 that would assist traffic
3 coming from all directions to locate the Michigan international
4 speedway.

5 Sec. 614. From the funds appropriated in part 1, the
6 department shall widen US-127 to 4 lanes between M-50 and US-12.

7 Sec. 615. From the funds appropriated in part 1, the
8 department shall proceed with the construction of a full
9 interchange at the intersection of M-48 and I-75 in Chippewa
10 county. The department shall develop design plans and award the
11 construction contract for this project during the fiscal year
12 ending September 30, 2007.

13 Sec. 616. From the funds appropriated in part 1, the
14 department shall reimburse the city of Petoskey for installation of
15 a traffic light on US-31 at the intersection with Bay Harbor in
16 Emmet County.

17 Sec. 617. From the funds appropriated in part 1, the
18 department shall construct a nonmotorized vehicle bridge that
19 crosses the Boardman River between Hull Street and 10th Street in
20 Traverse City.

21 Sec. 639. The department shall develop a plan and schedule to
22 place signs on state highways that direct motorists to drive on the
23 right half of the roadway in accordance with section 634 of the
24 Michigan vehicle code, 1949 PA 300, MCL 257.634. The plan and
25 schedule shall be submitted to the senate and house appropriations
26 committees, the senate and house fiscal agencies, and the state
27 budget director by November 1, 2006.

1 Sec. 640. The department shall develop a plan and schedule to
2 place signs on state highways that direct motorists to yield the
3 right-of-way to approaching emergency vehicles in accordance with
4 section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653.
5 The plan and schedule shall be submitted to the senate and house
6 appropriations committees, the senate and house fiscal agencies,
7 and the state budget director by November 1, 2006.

8 COMPREHENSIVE TRANSPORTATION FUND

9 Sec. 701. Money that is received by the state as a lease
10 payment for state-owned intercity bus equipment is not money to be
11 deposited in the comprehensive transportation fund under section
12 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
13 an intercity bus equipment fund for appropriation for the purchase
14 and repair of intercity bus equipment. Proceeds received by the
15 state from the sale of intercity bus equipment are deposited in an
16 intercity bus equipment fund for appropriation for the purchase and
17 repair of intercity bus equipment. Security deposits from the lease
18 of state-owned intercity bus equipment not returned to the lessee
19 of the equipment under terms of the lease agreement are deposited
20 in an intercity bus equipment fund for appropriation for the repair
21 of intercity bus equipment. At the close of the fiscal year, any
22 funds remaining in the intercity bus equipment fund shall remain in
23 the fund and be carried forward into the succeeding fiscal year.

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

1 used for rail or water freight projects shall be deposited in the
2 fund created by section 17 of the state transportation preservation
3 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
4 year, any funds remaining in the rail preservation fund shall
5 remain in the fund and be carried forward into the succeeding
6 fiscal year.

7 Sec. 703. After receiving notification from a railroad company
8 pursuant to section 8 of the state transportation preservation act
9 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
10 notify the house of representatives and senate appropriations
11 subcommittees on transportation and the state budget office that
12 the railroad company has filed with the appropriate governmental
13 agencies for abandonment of a line.

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

18 Sec. 706. The Detroit/Wayne County port authority shall issue
19 a complete operations assessment and a financial disclosure
20 statement. The operations assessment shall include operational
21 goals for the next 5 years and recommendations to improve land
22 acquisition and development efficiency. The report shall be
23 completed and submitted to the house of representatives and senate
24 appropriations subcommittees on transportation, the state budget
25 director, and the house and senate fiscal agencies by February 15
26 of each fiscal year for the prior fiscal year.

27 Sec. 707. (1) For the fiscal year ending September 30, 2007,

1 each eligible authority and each eligible governmental agency which
2 provides public transportation services in urbanized areas with a
3 Michigan population of less than or equal to 100,000 and
4 nonurbanized areas under section 5311 of title 49 of the United
5 States Code, 49 USC 5311, shall receive a grant of up to 60% of its
6 eligible operating expenses. Each eligible authority and each
7 eligible government agency which provides public transportation
8 services in urbanized areas with a Michigan population of greater
9 than 100,000 under section 5307 of title 49 of the United States
10 Code, 49 USC 5307, shall receive a grant of up to 50% of its
11 eligible operating expenses.

12 (2) If the department determines that the Detroit
13 transportation corporation is an eligible governmental agency as
14 defined in section 10c(c) of 1951 PA 51, MCL 247.660c, and is
15 eligible for operating grants under section 10e of 1951 PA 51, MCL
16 247.660e, the Detroit transportation corporation shall receive an
17 operating grant not to exceed the amount of the distribution it
18 received for eligible operating expenses for the fiscal year ending
19 September 30, 1997 as provided in section 10e(4)(a)(v) of 1951 PA
20 51, MCL 247.660e. The funding plan for capital construction costs
21 of the Detroit people mover project as described and provided under
22 1984 PA 243, 1985 PA 111, 1986 PA 207, 1987 PA 136, 1988 PA 271,
23 1989 PA 54, and 1990 PA 202 represents the only funding plan for
24 cost overruns and there is no provision or expectation of other
25 state money of any nature or character whatsoever for the
26 construction or operation of the project.

27 Sec. 708. If funds appropriated in part 1 are used to provide

1 state-owned or state-leased buses to private intercity bus
 2 carriers, the department shall charge not less than \$1,000.00 per
 3 bus per year for their use.

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

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

1	Between Jackson and	I-69, I-94 to the state line
2	Indianapolis	through Albion, Marshall,
3		and Coldwater
4	Between Houghton Lake and	
5	Cadillac	M-55 and M-66
6	Between Detroit and Toledo	I-75 to the state line
7	Between the Indiana state line	
8	and Traverse City	US-31 and I-196
9	Between Detroit and Port Huron	I-375 and I-94
10	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
11	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
12		Battle Creek, I-94 to the
13		state line
14	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
15		I-69
16	Between Bay City and St. Ignace	I-75, US-23
17	Between Grand Rapids and	US-131, Cadillac, M-115,
18	St. Ignace	Mesick, M-37 to Traverse
19		City, US-31, Acme, M-72,
20		Kalkaska, US-131, Boyne
21		Falls, M-75, Walloon Lake,
22		US-131, Petoskey, US-31,
23		I-75, St. Ignace
24	Between Kalamazoo and Grand	
25	Rapids	US-131
26	(2) Any changes to the essential corridor list in subsection	
27	(1) shall be approved by the house and senate appropriations	

1 subcommittees on transportation.

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

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

11 (2) Any state subsidy for rail passenger service between Grand
12 Rapids and Chicago and between Port Huron and Chicago shall be
13 limited to an amount equal to related route revenue and shall not
14 exceed \$6,100,000.00.

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

21 (4) The department shall submit a report to both the house and
22 senate appropriations committees and the house and senate fiscal
23 agencies by January 1, 2007 that provides a 5-year history on
24 services, ridership, and subsidies.

25 (5) Future state support for the service between Grand Rapids
26 and Chicago and Port Huron and Chicago is dependent on the
27 department's ability to provide a plan and a contract for services

1 that increase ridership and revenue, reduce operating costs, and
2 improve on-time performance. The department shall include a section
3 in the report required in subsection (4) detailing efforts to
4 reduce the dependence on state operating subsidies and projected
5 operating expenses for the next 2 years, and recommending service
6 alternatives, for the Grand Rapids to Chicago service and the Port
7 Huron to Chicago service.

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

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

19 (2) The department shall report by March 1, 2007 on its
20 efforts to implement this section over the past 2 years.

21 Sec. 721. For federal transit administration bus acquisition
22 capital grants matched with CTF funds appropriated in part 1,
23 transit agencies shall have 4 years from the federal approval date
24 to carry out their projects. Contract line items unobligated 4
25 years after the federal approval date may be matched with CTF funds
26 only up to 15% in the fifth and subsequent years. "Unobligated"
27 means any line item in the contract that is not committed to a

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

14 Sec. 729. From the funds appropriated in part 1 for intercity
15 bus service development, \$100,000.00 shall be used for lost
16 ridership support and/or marketing efforts to increase awareness of
17 intercity bus service, increase ridership on intercity bus
18 carriers, and improve coordination of intercity bus service in
19 Michigan.

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

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

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

9 (2) By October 29, 2006, eligible authorities and eligible
10 governmental agencies shall forward to the department, the senate
11 and house appropriations subcommittees on transportation, the
12 senate and house fiscal agencies, and the state budget director a
13 report on the status of their fleet with respect to operational
14 lifts pursuant to subsection (1). Eligible authorities and eligible
15 governmental agencies shall specifically include information in the
16 report on the number and percentage of the fleet with operational
17 lifts, and the number and percentage of the fleet with operational
18 lifts that are not in working order.

19 (3) An eligible authority or eligible governmental agency that
20 reports, pursuant to subsection (2) that vehicles currently
21 eligible for or in active service have lifts that are not
22 operational, shall certify to the department by December 31, 2006
23 that the nonoperational lifts have been repaired or replaced and
24 are operational.

25 (4) By April 1, 2007, the department director shall certify,
26 in writing, to the senate and house appropriations subcommittees on
27 transportation, senate and house fiscal agencies, and the state

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

9 (5) Eligible authorities and eligible governmental agencies
10 that report, pursuant to subsection (2), nonoperational lifts on
11 vehicles currently eligible for or in active service, and who are
12 unable to certify, pursuant to subsection (3), that lifts have been
13 repaired or replaced by December 31, 2006, shall not receive 25% of
14 their monthly local bus operating grant, beginning January 1, 2007.
15 Persons 65 years of age or older and persons with disabilities
16 shall be exempt from fare box charges for the period an eligible
17 authority or eligible governmental agency has funds withheld
18 pursuant to this subsection.

19 (6) If the eligible authority or eligible governmental agency
20 certifies on or before April 30, 2007 that lifts reported as
21 nonoperational pursuant to subsections (3) and (4) are now
22 operational, funds withheld during the period subsequent to
23 December 31, 2006 shall be forwarded to the applicable eligible
24 authority or eligible governmental agency. If the applicable lifts
25 are not operational by April 30, 2007, funds withheld pursuant to
26 subsection (4) shall be forfeited and deposited to the
27 comprehensive transportation fund.

1 (7) The department shall report to the senate and house
2 appropriations subcommittees on transportation, senate and house
3 fiscal agencies, and the state budget director on September 30,
4 2007, regarding actions taken with respect to implementation of
5 this section.

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

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

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

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

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

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

21 (d) Maintain sufficient local and community funding.

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

25 Sec. 736. From the funds appropriated in part 1, the
26 department shall work with intercity rail and bus passenger
27 carriers to coordinate intercity passenger transportation in

1 Michigan. The department shall assist in the coordination of
2 intercity routes, schedules, and facilities.

3 Sec. 737. It is the intent of the legislature that the
4 department proceed with the construction of a Birmingham/Troy
5 intermodal passenger facility.

6 Sec. 739. Eligible authorities and eligible governmental
7 agencies receiving grants from funds appropriated in this act shall
8 not assign buses longer than 40 feet to fixed route service if a
9 reasonable estimate of ridership does not warrant the use of such
10 large-capacity vehicles.

11 **AERONAUTICS FUND**

12 Sec. 801. At the close of the fiscal year, any unobligated and
13 unexpended balance in the state aeronautics fund created in the
14 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
15 to 259.208, shall lapse to the state aeronautics fund and be
16 appropriated by the legislature in the immediately succeeding
17 fiscal year.

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