Act No. 158
Public Acts of 2005
Approved by the Governor*
September 30, 2005

Filed with the Secretary of State
September 30, 2005

EFFECTIVE DATE: September 30, 2005

*Item Vetoes

Sec. 363.
Entire Section. (Page 12)

Sec. 617.
Entire Section. (Page 15)

Sec. 621.
Entire Section. (Page 15)

Sec. 622.
Entire Section. (Page 15)

Sec. 623.
Entire Section. (Page 16)

Sec. 624.
Entire Section. (Page 16)

Sec. 625.
Entire Section. (Page 16)

Sec. 633.
Entire Section. (Page 16)

Sec. 636.
Entire Section. (Page 16)

Sec. 637.
Entire Section. (Page 16)

Sec. 638.
Entire Section. (Page 16)

Sec. 641.
Entire Section. (Page 16)

Sec. 643.
Entire Section. (Page 16)

Sec. 644.
Entire Section. (Page 16)

Sec. 645.
Entire Section. (Page 16)

Sec. 646.
Entire Section. (Page 16)

STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005

Introduced by Senators Barcia and Emerson

ENROLLED SENATE BILL No. 281

AN ACT 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:

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, 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	3,022.3		
GROSS APPROPRIATION		$	3,411,460,000
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		$	3,411,460,000
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

		For Fiscal Year Ending Sept. 30, 2006
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		240,217,100
Economic development fund		56,277,700
Intercity bus equipment fund		1,000,000
Local bridge fund		34,115,800
Michigan transportation fund		1,086,986,200
Rail preservation fund		2,000,000
State aeronautics fund		14,114,700
State trunkline fund		746,800,400
Total other state restricted revenues		2,197,717,900
State general fund/general purpose	$	0

Sec. 102. DEBT SERVICE

State trunkline	$	187,117,200
Economic development		14,730,100
Local bridge fund		3,000,000
Blue Water Bridge		2,383,300
Airport safety and protection plan		3,686,100
Comprehensive transportation		29,826,800
GROSS APPROPRIATION	$	240,743,500
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		103,200,000
Special revenue funds:		
Blue Water Bridge fund		2,383,300
Comprehensive transportation fund		28,843,600
Economic development fund		14,730,100
Local bridge fund		3,000,000
State aeronautics fund		4,669,300
State trunkline fund		83,917,200
State general fund/general purpose	$	0

Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES

MTF grant to department of environmental quality	$	986,600
MTF grant to department of state for collection of revenue and fees		20,000,000
MTF grant to department of treasury		8,238,800
MTF grant to legislative auditor general		204,300
STF grant to department of attorney general		2,861,400
STF grant to department of civil service		2,000,000
STF grant to department of history, arts, and libraries		139,600
STF grant to department of management and budget		1,221,300
STF grant to department of state police		7,667,300
STF grant to department of treasury		183,900
STF grant to legislative auditor general		474,600
SAF grant to department of attorney general		144,000
SAF grant to department of civil service		50,000
SAF grant to department of history, arts, and libraries		3,800
SAF grant to department of management and budget		32,600
SAF grant to department of treasury		73,800
SAF grant to legislative auditor general		19,600
CTF grant to attorney general		145,900
CTF grant to department of civil service		90,000
CTF grant to department of history, arts, and libraries		6,300

		For Fiscal Year Ending Sept. 30, 2006
CTF grant to department of management and budget	$	61,900
CTF grant to department of treasury		4,800
CTF grant to legislative auditor general		25,200
GROSS APPROPRIATION	$	44,635,700
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		334,100
Michigan transportation fund		29,429,700
State aeronautics fund		323,800
State trunkline fund		14,548,100
State general fund/general purpose	$	0

Sec. 104. EXECUTIVE DIRECTION

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 31.3		
Director	$	140,400
Chief deputy		114,400
Communications director		74,300
Governmental affairs director		93,600
UPTRAN director		41,900
Commission advisor		67,600
Asset management council		1,626,400
Commission audit		
Salaries and fringe benefits—31.3 FTE positions		3,169,200
Travel		56,700
Other operational expenses		64,700
Subtotal - commission audit		3,290,600
GROSS APPROPRIATION	$	5,449,200
Appropriated from:		
Special revenue funds:		
Michigan transportation fund		1,626,400
State trunkline fund		3,822,800
State general fund/general purpose	$	0

Sec. 105. BUSINESS SUPPORT

Full-time equated classified positions 57.5		
Executive office		
Salaries and fringe benefits—10.5 FTE positions	$	1,031,700
Travel		69,300
Other operational expenses		116,400
Subtotal - executive office		1,217,400
Communications		
Salaries and fringe benefits—12.0 FTE positions		984,500
Travel		40,100
Other operational expenses		191,200
Subtotal - communications		1,215,800
Governmental affairs		
Salaries and fringe benefits—3.0 FTE positions		312,400
Travel		3,000
Other operational expenses		17,500
Subtotal - governmental affairs		332,900
Human resources		
Salaries and fringe benefits—23.0 FTE positions		2,234,600
Travel		18,200
Other operational expenses		208,800
Subtotal - human resources		2,461,600
Economic development and enhancement programs		
Salaries and fringe benefits—9.0 FTE positions		889,500
Travel		24,600

		For Fiscal Year Ending Sept. 30, 2006
Other operational expenses	$	71,800
Subtotal - economic development and enhancement programs		985,900
Property management		6,404,200
Human resources optimization user charges		109,100
Worker's compensation		2,619,000
GROSS APPROPRIATION	$	15,345,900
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		1,161,200
Economic development fund		500,700
State aeronautics fund		231,600
State trunkline fund		13,452,400
State general fund/general purpose	$	0

Sec. 106. INFORMATION TECHNOLOGY

Information technology services and projects	$	25,000,000
GROSS APPROPRIATION	$	25,000,000
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		555,100
Special revenue funds:		
Blue Water Bridge fund		46,300
Comprehensive transportation fund		230,800
Economic development fund		37,100
Michigan transportation fund		239,800
State aeronautics fund		141,600
State trunkline fund		23,749,300
State general fund/general purpose	$	0

Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES

Full-time equated classified positions 253.5		
Financial operations		
Salaries and fringe benefits—80.0 FTE positions	$	6,500,900
Travel		32,700
Other operational expenses		840,000
Subtotal - financial operations		7,373,600
Contract services		
Salaries and fringe benefits—34.1 FTE positions		2,708,800
Travel		17,000
Other operational expenses		211,200
Subtotal - contract services		2,937,000
Technical and support services		
Salaries and fringe benefits—72.4 FTE positions		6,159,400
Travel		158,600
Other operational expenses		1,856,800
Subtotal - technical and support services		8,174,800
Performance excellence		
Salaries and fringe benefits—12.0 FTE positions		1,105,200
Travel		12,500
Other operational expenses		205,400
Subtotal - performance excellence		1,323,100
Welcome center operations		
Salaries and fringe benefits—55.0 FTE positions		3,678,700
Travel		50,500
Other operational expenses		842,500
Subtotal - welcome center operations		4,571,700
GROSS APPROPRIATION	$	24,380,200

		For Fiscal Year Ending Sept. 30, 2006
Appropriated from:		
Special revenue funds:		
Michigan transportation fund	$	1,344,100
State trunkline fund		23,036,100
State general fund/general purpose	$	0

Sec. 108. TRANSPORTATION PLANNING

Full-time equated classified positions 174.0		
Statewide planning services		
Salaries and fringe benefits—122.0 FTE positions	$	11,284,000
Travel		150,000
Other operational expenses		500,000
Subtotal - statewide planning services		11,934,000
Data collection services		
Salaries and fringe benefits—52.0 FTE positions		4,754,100
Travel		350,000
Other operational expenses		746,000
Subtotal - data collection services		5,850,100
Specialized planning services and local studies		17,280,000
Grants to regional planning councils		488,800
GROSS APPROPRIATION	$	35,552,900
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		22,000,000
Special revenue funds:		
Comprehensive transportation fund		1,260,300
Michigan transportation fund		6,586,300
State aeronautics fund		261,900
State trunkline fund		5,444,400
State general fund/general purpose	$	0

Sec. 109. DESIGN AND ENGINEERING SERVICES

Full-time equated classified positions 1,533.4		
Engineering services		
Salaries and fringe benefits—803.2 FTE positions	$	38,110,200
Travel		1,856,400
Other operational expenses		10,904,500
Subtotal - engineering services		50,871,100
Program services		
Salaries and fringe benefits—719.7 FTE positions		31,119,800
Travel		968,500
Other operational expenses		5,428,300
Subtotal - program services		37,516,600
Intelligent transportation systems operations—10.5 FTE positions		9,665,000
GROSS APPROPRIATION	$	98,052,700
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		7,000,000
Special revenue funds:		
Michigan transportation fund		5,257,600
State trunkline fund		85,795,100
State general fund/general purpose	$	0

Sec. 110. HIGHWAY MAINTENANCE

Full-time equated classified positions 815.6		
State trunkline operations		
Salaries and fringe benefits—815.6 FTE positions	$	59,798,800
Travel		1,704,300

		For Fiscal Year Ending Sept. 30, 2006
Other operational expenses	$	61,460,800
Subtotal - state trunkline operations		122,963,900
Contract operations		137,104,000
GROSS APPROPRIATION	$	260,067,900
Appropriated from:		
Special revenue funds:		
State trunkline fund		260,067,900
State general fund/general purpose	$	0

Sec. 111. ROAD AND BRIDGE PROGRAMS

State trunkline federal aid and road and bridge construction	$	996,562,100
Local federal aid and road and bridge construction		258,992,000
Grants to local programs		33,000,000
Rail grade crossing		3,000,000
Local bridge fund		31,115,800
County road commissions		645,023,600
Cities and villages		359,629,500
GROSS APPROPRIATION	$	2,327,323,000
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		1,014,587,000
Special revenue funds:		
Local funds		5,000,000
Blue Water Bridge fund		3,000,000
Local bridge fund		31,115,800
Michigan transportation fund		1,040,653,100
State trunkline fund		232,967,100
State general fund/general purpose	$	0

Sec. 112. BLUE WATER BRIDGE

Full-time equated classified positions 35.0		
Salaries and fringe benefits—35.0 FTE positions	$	2,656,400
Travel		20,000
Other operational expenses		8,100,000
GROSS APPROPRIATION	$	10,776,400
Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund		10,776,400
State general fund/general purpose	$	0

Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Forest roads	$	5,040,000
Rural county urban system		2,500,000
Target industries/economic redevelopment		17,966,200
Urban county congestion		7,751,800
Rural county primary		7,751,800
GROSS APPROPRIATION	$	41,009,800
Appropriated from:		
Special revenue funds:		
Economic development fund		41,009,800
State general fund/general purpose	$	0

Sec. 114. AERONAUTICS SERVICES

Full-time equated classified positions 56.0		
Airport improvement services		
Salaries and fringe benefits—30.0 FTE positions	$	2,690,400
Travel		125,300
Other operational expenses		276,500
Subtotal - airport improvement services		3,092,200

		For Fiscal Year Ending Sept. 30, 2006
Aviation services		
Salaries and fringe benefits—26.0 FTE positions	$	2,361,500
Travel		82,100
Other operational expenses		1,950,700
Subtotal - aviation services		4,394,300
Air service program		1,000,000
GROSS APPROPRIATION	$	8,486,500
Appropriated from:		
Special revenue funds:		
State aeronautics fund		8,486,500
State general fund/general purpose	$	0

Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT SERVICES

Full-time equated classified positions 66.0		
Freight and safety services		
Salaries and fringe benefits—36.0 FTE positions	$	3,253,900
Travel		113,600
Other operational expenses		458,300
Subtotal - freight and safety services		3,825,800
Passenger transportation services		
Salaries and fringe benefits—30.0 FTE positions		2,683,500
Travel		81,600
Other operational expenses		227,800
Subtotal - passenger transportation services		2,992,900
GROSS APPROPRIATION	$	6,818,700
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		4,969,500
Michigan transportation fund		1,849,200
State general fund/general purpose	$	0

Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating	$	163,276,100
Nonurban operating/capital		14,600,000
GROSS APPROPRIATION	$	177,876,100
Appropriated from:		
Federal revenues:		
DOT, federal transit act		14,400,000
Special revenue funds:		
Local funds		200,000
Comprehensive transportation fund		163,276,100
State general fund/general purpose	$	0

Sec. 117. INTERCITY PASSENGER AND FREIGHT

Freight property management	$	1,000,000
Detroit/Wayne County port authority		500,000
Intercity bus equipment		1,800,000
Rail passenger service		8,200,000
Freight preservation and development		3,942,900
Rail infrastructure loan program		100,000
Intercity bus service development		4,850,000
Marine passenger services		400,000
Terminal development		1,551,300
GROSS APPROPRIATION	$	22,344,200
Appropriated from:		
Federal revenues:		
DOT, federal transit act		3,500,000
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		1,000,000

		For Fiscal Year Ending Sept. 30, 2006
Special revenue funds:		
Local funds	$	50,000
Comprehensive transportation fund		14,694,200
Intercity bus equipment fund		1,000,000
Rail preservation fund		2,000,000
State general fund/general purpose	$	0

Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services	$	8,200,100
Municipal credit program		2,000,000
Bus capital		46,852,200
Van pooling		195,000
Service initiatives		1,750,000
Transportation to work		8,600,000
GROSS APPROPRIATION	$	67,597,300
Appropriated from:		
Federal revenues:		
DOT, federal transit act		41,300,000
Special revenue funds:		
Local funds		850,000
Comprehensive transportation fund		25,447,300
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is $2,197,717,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is $1,278,389,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION		
Grants to local programs	$	33,000,000
Economic development fund		23,003,600
Grants to cities and villages		359,629,500
Grants to county road commissions		645,023,600
Local bridge fund		31,115,800
Grants to regional planning councils		488,800
Local bus operating		163,276,100
Bus capital		16,352,200
Marine passenger service		400,000
Detroit/Wayne County port authority		500,000
Municipal credit program		2,000,000
Specialized services		3,600,100
Total payments to local units of government	$	1,278,389,700

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

Sec. 203. As used in this article:

(a) “CTF” means comprehensive transportation fund.

(b) “Department” means the department of transportation.

(c) “DOT” means the United States department of transportation.

(d) “DOT-FHWA” means DOT, federal highway administration.

(e) “DOT-FRA” means DOT, federal railroad administration.

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

(g) “EDF” means economic development fund.

(h) “FTE” means full-time equated.

(i) “MTF” means Michigan transportation fund.

(j) “RIF” means recreation improvement fund.

(k) “SAF” means state aeronautics fund.

(*l*) “STF” means state trunkline fund.

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

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 6 months. As used in this section, “privatize” or “privatization” means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

DEPARTMENTAL SECTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by March 31, 2006, to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

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

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

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

Sec. 363. From the funds appropriated in part 1, sufficient funds shall be granted to Michigan Technological University to complete a study of the distribution and nature of log truck accidents and the characteristics of log trucks and log loads. The study shall consider alternative designs for log trucks and trailers, including crib vehicles on which logs are loaded lengthwise. The findings of this study shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. A final report of the study shall be provided to the senate and house appropriations subcommittees on transportation no later than September 15, 2006. This appropriation represents the final amount of state funding provided for this study.

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

Sec. 370. (1) From the funds appropriated in part 1, no later than April 1, 2006, the director shall develop a complaint process to enforce the charter service prohibition contained in section 10e of 1951 PA 51, MCL 247.660e. The complaint process shall be independent from the charter service complaint process administered by the federal department of transportation, federal transit administration under 49 CFR part 604. The process shall allow complainants to file written complaints with the director, either through the United States mail or through the department's Internet site. The process shall allow complainants and respondents to provide evidence to the director regarding the alleged complaint. The director shall dispose of all complaints within 120 days after receipt.

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

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

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

Sec. 376. No later than October 15, 2005, the department shall report to the senate and house of representatives appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

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

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

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

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

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

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

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

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

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

Sec. 384. (1) From the funds appropriated in part 1, the department shall prepare a report on the operations of intelligent transportation service centers for the preceding fiscal year. The report shall include a description of all operations by service center location, a listing of contractor services provided at each service center location, and a listing of organizations, both private and public, that have access to the information generated at each service center location. The report shall be submitted to the senate and house of representatives appropriations transportation subcommittees by December 1, 2005.

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

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

Sec. 385. From funds appropriated in part 1, the department shall report on the impacts of emerald ash borer infestation on state trunkline rights of way. The report shall identify areas of infestation, remediation efforts, and actual and projected costs of remediation. The report shall be submitted to the senate and house of representatives appropriations subcommittees on transportation no later than February 1, 2006.

Sec. 387. The department shall publish and disseminate to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies all plans related to the upgrade of the I-96/M-59 interchanges by April 1, 2006.

FEDERAL

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not approved within 30 business days by both the senate and house of representatives appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as disapproved. If either the senate or house of representatives appropriations transportation subcommittees 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 10(5) of 1951 PA 51, MCL 247.660.

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

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

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

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

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

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

(b) Description of services financed with transportation funds.

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

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

STATE TRUNKLINE FUND

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

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

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

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

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, $40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

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

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

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2006, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

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

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

Sec. 622. From the funds appropriated in part 1, the department shall proceed with the construction of improvements to the M-37 corridor between 100th Street and 84th Street in Caledonia Township, Kent County, as recommended in the department's corridor traffic study. The improvements shall include traffic signalization at the intersections of M-37 and Glengarry Drive, and M-37 and 100th Street, and the construction of a turning lane along the length of the corridor.

Sec. 623. Upon passage of House Bill No. 4564 of the 93rd Legislature, there is appropriated from the funds in section 111 for state trunkline federal aid and road and bridge construction $137,500.00 for the costs associated with the removal of a barricade on Tienken Road in Oakland County. The department shall make these funds available for this project only if each city, Rochester Hills and Auburn Hills, provides a 50% match to the amount of state funding for this project.

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

Sec. 625. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange between exits 212 and 215 on I-75 in Ogemaw County at M-30. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation by February 1, 2006.

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

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

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

Sec. 637. From the funds appropriated in part 1, the department shall construct a nonmotorized vehicle bridge that 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. 643. From the funds appropriated in part 1, sufficient funds are appropriated to match any federal congressional high-priority projects which may be designated for the completion of 2 segments of US-127 from Ithaca to St. Johns to a limited access freeway.

Sec. 644. From the funds appropriated in part 1, the department shall reduce congestion on I-75 from 8 Mile Road to M-24/Lapeer Road.

Sec. 645. From the funds appropriated in part 1, the department shall complete safety and intersection improvements at Woodward and Lincoln Street in the city of Birmingham.

Sec. 646. From the funds appropriated in part 1, the department shall complete improvements to the median of Square Lake Road between Franklin and Woodward in Bloomfield Township.

Sec. 647. From the funds appropriated in part 1, $500,000.00 is appropriated for the preservation and maintenance for roads and trails under the authority of the Mackinac state park commission.

Sec. 648. From the funds appropriated in part 1, the department shall proceed with the construction of intersection improvements, including lane widening and construction of turning lanes on US-2 at County Road 521 in Delta County.

Sec. 649. Upon completion of reconstruction of the interchange on I-96 at Beck Road, the department shall proceed with the reconstruction of the interchange on I-96 at Wixom Road in Oakland County.

Sec. 650. From the funds appropriated in part 1, the department shall complete safety and intersection improvements at Ford Road and Beck Road in Canton Township.

Sec. 651. From the funds appropriated in part 1, the department shall construct additional traffic lanes on both eastbound and westbound M-59 from Crooks Road in Rochester Hills to Ryan Road in Macomb County.

Sec. 652. From the funds appropriated in part 1, the department shall proceed with the construction of an interchange on I-75 at Milbocker and McCoy Roads in the city of Gaylord and the construction of a bridge over I-75 connecting Van Tyle Road and S. Wisconsin Avenue in the city of Gaylord.

Sec. 653. From the funds appropriated in part 1, the department shall work with local officials from Spaulding Township, Saginaw County, to address flooding problems associated with the Flint River bridge on M-13.

Sec. 654. (1) It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

(2) From the funds appropriated in part 1, the department shall submit a quarterly report, beginning January 1, 2006, regarding departmental activities associated with the Mackinac Bridge. The report shall be provided to all members of the Mackinac Bridge Authority, the senate and house of representatives transportation committees, the senate and house of representatives appropriations subcommittees on transportation, and the fiscal agencies. The report shall include the following information:

(a) All expenditures of bridge toll revenue by the department.

(b) All expenditures by the department from other state funding sources for bridge maintenance, insurance, or bridge planning activities.

(c) The department's most recent bridge inspection report.

(d) Copies of all contracts which the department has entered into involving any aspect of the oversight of the bridge.

(3) In addition to the report required under subsection (2), from the funds appropriated in part 1, the department shall provide, upon request by any member of the Mackinac Bridge Authority, all information pertinent to the maintenance, operation, insurance, financing, or future planning of the Mackinac Bridge. This information shall be provided within 10 working days of the request. The Mackinac Bridge Authority shall be granted full disclosure of all pertinent information so that it may fulfill its role of protecting the long-term viability of the bridge.

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

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

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

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

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

Sec. 707. (1) For the fiscal year ending September 30, 2006, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 USC 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 USC 5307, shall receive a grant of up to 50% of its eligible operating expenses.

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

(3) No funds appropriated in part 1 or in part 1 of 2004 PA 361 may be distributed, expended, or encumbered for operating or capital assistance to the Detroit transportation corporation prior to a resolution by the regional transit coordinating council established under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, indicating how such funds would be treated in relation to article V of the regional transit coordinating council bylaws. Any state operating assistance for which the Detroit transportation corporation has applied which has not been distributed or expended by September 30, 2005 may not be encumbered for the Detroit transportation corporation but shall be redistributed to other eligible authorities and eligible governmental agencies in accordance with section 10e of 1951 PA 51, MCL 247.660e.

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

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

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

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

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

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

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

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

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

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

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

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

(7) Notwithstanding subsection (2), it is the intent of the legislature that an additional $1,000,000.00 from the comprehensive transportation fund shall be made available to the state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago if there is a signed contract to relocate Amtrak maintenance facilities to Michigan.

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

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

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

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

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

Sec. 728. From the funds appropriated in section 117 for freight preservation and development, $250,000.00 shall be used for crossing upgrades and bridge deck replacement on the Huron subdivision of the lake state rail company.

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

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

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

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

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

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

(4) By April 1, 2006, the department director shall certify, in writing, to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is accurate to the best of the director's knowledge. In the event that the department director finds that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is inaccurate, the director shall notify the eligible authority or eligible governmental agency of the inaccuracies and require submission of a corrected report.

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

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

(7) The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director on September 30, 2006, regarding actions taken with respect to implementation of this section.

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

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

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

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

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

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

(d) Maintain sufficient local and community funding.

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

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.

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

Sec. 738. From the funds appropriated in part 1, freight preservation and development, the department shall resurface state-owned rail track from mile post 65.8 in Owosso to mile post 74.2 in Oakley and shall perform track rehabilitation from mile post 74.2 in Oakley to mile post 78.2 in Chesaning.

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

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.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Gary E Randall

Clerk of the House of Representatives

Approved ______________________

____

Governor