

**SUBSTITUTE FOR  
HOUSE BILL NO. 5889**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; 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

1 transportation department and certain state purposes designated in  
 2 this act for the fiscal year ending September 30, 2011, from the  
 3 funds indicated in this part. The following is a summary of the  
 4 appropriations in this part:

5 **STATE TRANSPORTATION DEPARTMENT**

6 APPROPRIATION SUMMARY

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	3,016.3	
9	GROSS APPROPRIATION.....		\$ 3,318,459,400
10	Total interdepartmental grants and intradepartmental		
11	transfers .....		878,300
12	ADJUSTED GROSS APPROPRIATION.....		\$ 3,317,581,100
13	Federal revenues:		
14	DOT, federal transit act.....		61,285,000
15	DOT-FHWA, highway research, planning, and construction		1,060,167,700
16	DOT-FRA, local rail service assistance.....		100,000
17	DOT-FRA, rail passenger/HSGT.....		3,000,000
18	DOT, federal aviation administration.....		102,927,900
19	Total federal revenues.....		1,227,480,600
20	Special revenue funds:		
21	Local revenues.....		56,496,000
22	Total local and private revenues.....		56,496,000
23	Blue Water Bridge fund.....		14,966,900
24	Comprehensive transportation fund.....		237,105,700
25	Economic development fund.....		54,145,000
26	IRS debt service rebate.....		7,523,400
27	Intercity bus equipment fund.....		2,000,000

1	Local bridge fund.....		30,061,300
2	Michigan transportation fund.....		942,242,600
3	Other state restricted revenues.....		2,975,400
4	Rail freight fund.....		2,000,000
5	State aeronautics fund.....		16,533,200
6	State trunkline fund.....		640,051,000
7	Total other state restricted revenues.....		1,949,604,500
8	State general fund/general purpose.....	\$	84,000,000
9	<b>Sec. 102. DEBT SERVICE</b>		
10	State trunkline.....	\$	198,853,000
11	Economic development.....		9,173,400
12	Local bridge fund.....		3,261,500
13	Blue Water Bridge fund.....		2,216,400
14	Airport safety and protection plan.....		3,456,000
15	Comprehensive transportation.....		<u>29,852,700</u>
16	GROSS APPROPRIATION.....	\$	246,813,000
17	Appropriated from:		
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and construction		45,832,100
20	Special revenue funds:		
21	Blue Water Bridge fund.....		2,216,400
22	Comprehensive transportation fund.....		29,852,700
23	Economic development fund.....		9,173,400
24	Local bridge fund.....		3,261,500
25	IRS debt service rebate.....		7,523,400
26	State aeronautics fund.....		3,456,000
27	State trunkline fund.....		145,497,500

1	State general fund/general purpose .....	\$	0
2	<b>Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY</b>		
3	<b>SUPPORT SERVICES</b>		
4	MTF grant to department of natural resources and		
5	environment .....	\$	1,087,100
6	MTF grant to department of state for collection of		
7	revenue and fees .....		20,000,000
8	MTF grant to department of treasury .....		7,340,700
9	MTF grant to legislative auditor general .....		204,300
10	STF grant to department of attorney general .....		2,867,400
11	STF grant to civil service commission .....		5,697,000
12	STF grant to department of technology, management, and		
13	budget .....		1,188,300
14	STF grant to department of state police .....		9,808,000
15	STF grant to department of treasury .....		179,100
16	STF grant to legislative auditor general .....		474,600
17	SAF grant to department of attorney general .....		160,300
18	SAF grant to civil service commission .....		150,000
19	SAF grant to department of technology, management, and		
20	budget .....		24,700
21	SAF grant to department of treasury .....		74,700
22	SAF grant to legislative auditor general .....		19,600
23	CTF grant to department of attorney general .....		162,400
24	CTF grant to civil service commission .....		200,000
25	CTF grant to department of technology, management, and		
26	budget .....		34,800
27	CTF grant to department of treasury .....		4,100

1	CTF grant to legislative auditor general .....		<u>25,200</u>
2	GROSS APPROPRIATION .....	\$	49,702,300
3	Appropriated from:		
4	Special revenue funds:		
5	Comprehensive transportation fund .....		426,500
6	Michigan transportation fund .....		28,632,100
7	State aeronautics fund .....		429,300
8	State trunkline fund .....		20,214,400
9	State general fund/general purpose .....	\$	0
10	<b>Sec. 104. EXECUTIVE DIRECTION</b>		
11	Full-time equated unclassified positions .....	6.0	
12	Full-time equated classified positions .....	31.3	
13	Unclassified salaries .....		\$ 602,800
14	Asset management council .....		1,626,400
15	Commission audit--31.3 FTE positions .....		<u>3,561,100</u>
16	GROSS APPROPRIATION .....	\$	5,790,300
17	Appropriated from:		
18	Special revenue funds:		
19	Michigan transportation fund .....		1,626,400
20	State trunkline fund .....		4,163,900
21	State general fund/general purpose .....	\$	0
22	<b>Sec. 105. BUSINESS SUPPORT</b>		
23	Full-time equated classified positions .....	58.0	
24	Business support services--49.0 FTE positions .....		\$ 6,235,500
25	Economic development and enhancement programs--9.0 FTE		
26	positions .....		1,212,400
27	Property management .....		7,754,600

1	Worker's compensation.....		<u>1,784,600</u>
2	GROSS APPROPRIATION.....	\$	16,987,100
3	Appropriated from:		
4	Special revenue funds:		
5	Comprehensive transportation fund.....		1,304,700
6	Economic development fund.....		468,900
7	Michigan transportation fund.....		201,700
8	State aeronautics fund.....		625,000
9	State trunkline fund.....		14,386,800
10	State general fund/general purpose.....	\$	0
11	<b>Sec. 106. INFORMATION TECHNOLOGY</b>		
12	Information technology services and projects.....	\$	<u>28,439,000</u>
13	GROSS APPROPRIATION.....	\$	28,439,000
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHWA, highway research, planning, and construction		520,500
17	Special revenue funds:		
18	Blue Water Bridge fund.....		48,300
19	Comprehensive transportation fund.....		192,400
20	Economic development fund.....		37,200
21	Michigan transportation fund.....		254,200
22	State aeronautics fund.....		150,200
23	State trunkline fund.....		27,236,200
24	State general fund/general purpose.....	\$	0
25	<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>		
26	Full-time equated classified positions.....		250.5
27	Financial operations--87.0 FTE positions.....	\$	9,073,400

1	Contract services--53.6 FTE positions .....	5,303,600
2	Department services--41.9 FTE positions .....	5,313,100
3	Performance excellence--13.0 FTE positions .....	1,544,800
4	Welcome center operations--55.0 FTE positions .....	<u>4,965,400</u>
5	GROSS APPROPRIATION.....	\$ 26,200,300
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG for accounting service center user charges .....	878,300
9	Special revenue funds:	
10	Michigan transportation fund.....	1,792,700
11	State trunkline fund.....	23,529,300
12	State general fund/general purpose.....	\$ 0
13	<b>Sec. 108. TRANSPORTATION PLANNING</b>	
14	Full-time equated classified positions..... 176.0	
15	Statewide planning services--124.0 FTE positions .....	\$ 14,512,500
16	Data collection services--52.0 FTE positions .....	6,422,100
17	Specialized planning services and local studies .....	16,543,900
18	Grants to regional planning councils.....	<u>488,800</u>
19	GROSS APPROPRIATION.....	\$ 37,967,300
20	Appropriated from:	
21	Federal revenues:	
22	DOT-FHWA, highway research, planning, and construction	22,000,000
23	Special revenue funds:	
24	Comprehensive transportation fund.....	960,300
25	Michigan transportation fund.....	6,304,500
26	State aeronautics fund.....	15,000
27	State trunkline fund.....	8,687,500

1	State general fund/general purpose.....	\$	0
2	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>		
3	Full-time equated classified positions.....		1,492.8
4	Engineering services--800.1 FTE positions.....	\$	66,975,000
5	Program services--680.7 FTE positions.....		40,895,500
6	Intelligent transportation systems operations--12.0		
7	FTE positions .....		<u>10,615,500</u>
8	GROSS APPROPRIATION.....	\$	118,486,000
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA, highway research, planning, and construction		23,529,800
12	Special revenue funds:		
13	Michigan transportation fund.....		6,355,300
14	State trunkline fund.....		88,600,900
15	State general fund/general purpose.....	\$	0
16	<b>Sec. 110. HIGHWAY MAINTENANCE</b>		
17	Full-time equated classified positions.....		836.7
18	State trunkline operations--836.7 FTE positions.....	\$	<u>278,194,900</u>
19	GROSS APPROPRIATION.....	\$	278,194,900
20	Appropriated from:		
21	Special revenue funds:		
22	State trunkline fund.....		278,194,900
23	State general fund/general purpose.....	\$	0
24	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>		
25	State trunkline federal aid and road and bridge		
26	construction .....	\$	857,636,800
27	Local federal aid and road and bridge construction...		248,751,000

1	Grants to local programs.....	33,000,000
2	Rail grade crossing.....	3,000,000
3	Local bridge program.....	26,799,800
4	County road commissions.....	551,352,700
5	Cities and villages.....	<u>307,403,800</u>
6	GROSS APPROPRIATION.....	\$ 2,027,944,100
7	Appropriated from:	
8	Federal revenues:	
9	DOT-FHWA, highway research, planning, and construction	961,770,500
10	Special revenue funds:	
11	Local funds.....	30,000,000
12	Blue Water Bridge fund.....	7,107,300
13	Local bridge fund.....	26,799,800
14	Michigan transportation fund.....	894,756,500
15	State trunkline fund.....	23,510,000
16	State general fund/general purpose.....	\$ 84,000,000
17	<b>Sec. 112. BLUE WATER BRIDGE</b>	
18	Full-time equated classified positions..... 41.0	
19	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>5,594,900</u>
20	GROSS APPROPRIATION.....	\$ 5,594,900
21	Appropriated from:	
22	Special revenue funds:	
23	Blue Water Bridge fund.....	5,594,900
24	State general fund/general purpose.....	\$ 0
25	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>	
26	Forest roads.....	\$ 5,040,000
27	Rural county urban system.....	2,500,000

1	Target industries/economic redevelopment .....		19,212,700
2	Urban county congestion .....		8,356,400
3	Rural county primary .....		8,356,400
4	Nonprofit street railway .....		<u>1,000,000</u>
5	GROSS APPROPRIATION .....	\$	44,465,500
6	Appropriated from:		
7	Special revenue funds:		
8	Economic development fund .....		44,465,500
9	State general fund/general purpose .....	\$	0
10	<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>		
11	Full-time equated classified positions .....	84.0	
12	Airport improvement services--30.0 FTE positions .....		\$ 3,102,000
13	Aviation services--26.0 FTE positions .....		4,418,600
14	Freight and safety services--28.0 FTE positions .....		3,709,200
15	Air service program .....		<u>464,600</u>
16	GROSS APPROPRIATION .....	\$	11,694,400
17	Appropriated from:		
18	Special revenue funds:		
19	Comprehensive transportation fund .....		1,604,800
20	Michigan transportation fund .....		2,104,400
21	State aeronautics fund .....		7,985,200
22	State general fund/general purpose .....	\$	0
23	<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>		
24	Full-time equated classified positions .....	46.0	
25	Passenger transportation services--46.0 FTE positions .....		\$ <u>5,827,600</u>
26	GROSS APPROPRIATION .....	\$	5,827,600
27	Appropriated from:		

1	Federal revenues:		
2	DOT, federal transit act.....		862,100
3	Special revenue funds:		
4	Comprehensive transportation fund.....		4,750,700
5	Michigan transportation fund.....		214,800
6	State general fund/general purpose.....	\$	0
7	<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>		
8	Local bus operating.....	\$	166,624,000
9	Nonurban operating/capital.....		<u>22,787,900</u>
10	GROSS APPROPRIATION.....	\$	189,411,900
11	Appropriated from:		
12	Federal revenues:		
13	DOT, federal transit act.....		21,987,900
14	Special revenue funds:		
15	Comprehensive transportation fund.....		166,624,000
16	Local funds.....		800,000
17	State general fund/general purpose.....	\$	0
18	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>		
19	Freight property management.....	\$	1,000,000
20	Detroit/Wayne County port authority.....		468,200
21	Intercity services.....		7,250,000
22	Rail passenger service.....		11,667,000
23	Freight preservation and development.....		3,364,200
24	Marine passenger service.....		400,000
25	Terminal development.....		<u>150,000</u>
26	GROSS APPROPRIATION.....	\$	24,299,400
27	Appropriated from:		

1	Federal revenues:		
2	DOT, federal transit act.....		4,500,000
3	DOT-FRA, local rail service assistance.....		100,000
4	DOT-FRA, rail passenger/HSGT.....		3,000,000
5	Special revenue funds:		
6	Local funds.....		50,000
7	Comprehensive transportation fund.....		12,649,400
8	Intercity bus equipment fund.....		2,000,000
9	Rail freight fund.....		2,000,000
10	State general fund/general purpose.....	\$	0
11	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>		
12	Specialized services.....	\$	7,443,800
13	Municipal credit program.....		2,000,000
14	Bus capital.....		41,300,000
15	Van pooling.....		195,000
16	Service initiatives.....		1,400,000
17	Transportation to work.....		<u>9,536,400</u>
18	GROSS APPROPRIATION.....	\$	61,875,200
19	Appropriated from:		
20	Federal revenues:		
21	DOT, federal transit act.....		33,935,000
22	Special revenue funds:		
23	Local funds.....		9,200,000
24	Comprehensive transportation fund.....		18,740,200
25	State general fund/general purpose.....	\$	0
26	<b>Sec. 119. CAPITAL OUTLAY</b>		
27	<b>(1) BUILDINGS AND FACILITIES</b>		

1	Port Huron replacement welcome center, inspection		
2	station, Blue Water Bridge administration and		
3	maintenance satellite facilities.....	\$	11,518,300
4	Salt storage buildings and secondary containment		
5	facilities - contract agency locations.....		1,000,000
6	Special maintenance, remodeling, and additions.....		3,001,500
7	GROSS APPROPRIATION.....		15,519,800
8	Appropriated from:		
9	Federal revenues:		
10	DOT-FHWA, highway research, planning, and construction		6,514,800
11	Special revenue funds:		
12	Other state restricted revenues.....		2,975,400
13	State trunkline fund.....		6,029,600
14	State general fund/general purpose.....		0
15	<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>		
16	Airport safety, protection and improvement program...	\$	123,246,400
17	GROSS APPROPRIATION.....		123,246,400
18	Appropriated from:		
19	Federal revenues:		
20	DOT, federal aviation administration.....		102,927,900
21	Special revenue funds:		
22	Local funds.....		16,446,000
23	State aeronautics fund.....		3,872,500
24	State general fund/general purpose.....	\$	0

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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 2010-2011 is \$2,033,604,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,157,035,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to regional planning councils.....	\$	488,800
Grants to local programs.....		33,000,000
Rail grade crossing.....		3,000,000
Local bridge program.....		26,799,800
Grants to county road commissions.....		551,352,700
Grants to cities and villages.....		307,403,800
Economic development fund.....		43,465,500
Air service program.....		464,800
Local bus operating.....		166,624,000
Bus capital.....		8,000,000
Detroit/Wayne County port authority.....		468,200
Marine passenger service.....		400,000
Terminal development.....		150,000
Specialized services.....		3,958,800
Municipal credit program.....		2,000,000
Service initiatives.....		50,000
Transportation to work.....		4,536,400

1	Salt storage buildings and secondary containment	
2	facilities – contract agency locations .....	1,000,000
3	Airport safety, protection, and improvement	
4	program.....	<u>3,872,500</u>
5	Total payments to local units of government .....	\$ 1,157,035,100

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

9       Sec. 203. As used in this act:

10       (a) "AASHTO" means the American association of state highway  
11 and transportation officials.

12       (b) "ASTM" means the American society for testing and  
13 materials.

14       (c) "CTF" means comprehensive transportation fund.

15       (d) "Department" means the department of transportation.

16       (e) "DOT" means the United States department of  
17 transportation.

18       (f) "DOT-FHWA" means DOT, federal highway administration.

19       (g) "DOT-FRA" means DOT, federal railroad administration.

20       (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad  
21 administration, high-speed ground transportation.

22       (i) "EDF" means economic development fund.

23       (j) "FTE" means full-time equated.

24       (k) "IRS" means the internal revenue service.

25       (l) "MTF" means Michigan transportation fund.

26       (m) "RIF" means recreation improvement fund.

27       (n) "SAF" means state aeronautics fund.

1 (o) "STF" means state trunkline fund.

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

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

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

25 Sec. 206. (1) In addition to the funds appropriated in part 1,  
26 there is appropriated an amount not to exceed \$200,000,000.00 for  
27 federal contingency funds. These funds are not available for

1 expenditure until they have been transferred to another line item  
2 in this act pursuant to section 393(2) of the management and budget  
3 act, 1984 PA 431, MCL 18.1393.

4 (2) In addition to the funds appropriated in part 1, there is  
5 appropriated an amount not to exceed \$40,000,000.00 for state  
6 restricted contingency funds. These funds are not available for  
7 expenditure until they have been transferred to another line item  
8 in this act pursuant to section 393(2) of the management and budget  
9 act, 1984 PA 431, MCL 18.1393.

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

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

22 Sec. 207. When beginning any effort to privatize, the  
23 department shall submit a complete project plan to the house of  
24 representatives and senate appropriations subcommittees on  
25 transportation, the state budget office, and the house and senate  
26 fiscal agencies. The plan shall include the rationale for  
27 privatization, including a cost-benefit analysis if appropriate.

1 The evaluation shall be completed and submitted to the appropriate  
2 senate and house of representatives appropriations subcommittees  
3 and the senate and house fiscal agencies. As used in this section,  
4 "privatize" or "privatization" means the transfer of state highway  
5 maintenance 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 shall 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. In addition, preference shall be given to goods or  
22 services, or both, that are manufactured or provided by Michigan  
23 businesses owned and operated by veterans, if they are  
24 competitively priced and of comparable quality.

25       Sec. 210. The director of each department receiving  
26 appropriations in part 1 shall take all reasonable steps to ensure  
27 businesses in deprived and depressed communities compete for and

1 perform contracts to provide services or supplies, or both. The  
2 director shall encourage firms with which the department contracts  
3 to subcontract with certified businesses in deprived and depressed  
4 communities for services, supplies, or both.

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

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

16 Sec. 260. (1) Due to the current budgetary problems in this  
17 state, out-of-state travel shall be limited to situations in which  
18 1 or more of the following conditions apply:

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

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

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

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

1 requirements.

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

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 Sec. 262. Funds appropriated in part 1 shall not be used by a  
10 principal executive department, state agency, or authority to hire  
11 a person to provide legal services that are the responsibility of  
12 the attorney general. This prohibition does not apply to legal  
13 services for bonding activities and for those activities that the  
14 attorney general authorizes.

15 Sec. 266. (1) On a quarterly basis, the department shall  
16 report on the number of FTEs in pay status by civil service  
17 classification to the house and senate appropriations subcommittees  
18 on transportation and the house and senate fiscal agencies.

19 (2) From the funds appropriated in part 1, the department  
20 shall use an amount not to exceed \$10,000.00 to develop, post, and  
21 maintain, on a publicly accessible Internet site, all expenditures  
22 made by the agency within a fiscal year. The posting must include  
23 the purpose for which each expenditure is made. The department  
24 shall not be required to hire additional employees to comply with  
25 this section.

26 **DEPARTMENTAL SECTIONS**

1           Sec. 301. (1) The department may establish a fee schedule and  
2 collect fees sufficient to cover the costs to issue the permits  
3 that the department is authorized by law to issue upon request,  
4 unless otherwise stipulated by law. All permit fees are  
5 nonrefundable application fees and shall be credited to the  
6 appropriate fund to recover the direct and indirect costs of  
7 receiving, reviewing, and processing the requests.

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

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

23           Sec. 304. If, as a requirement of bidding on a highway  
24 project, the department requires a contractor to submit financial  
25 or proprietary documentation as to how the bid was calculated, that  
26 bid documentation shall be kept confidential and shall not be  
27 disclosed other than to a department representative without the

1 contractor's written consent. The department may disclose the bid  
2 documentation if necessary to address or defend a claim by a  
3 contractor.

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

9 Sec. 306. (1) The amounts appropriated in section 103 to  
10 support tax and fee collection, law enforcement, and other program  
11 services provided to the department and to transportation funds by  
12 other state departments shall be expended from transportation funds  
13 pursuant to annual contracts between the department and those other  
14 state departments. The contracts shall be executed prior to the  
15 expenditure or obligation of those funds. The contracts shall  
16 provide, but are not limited to, the following data applicable to  
17 each state department:

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

19 (b) Description of services provided to the department and/or  
20 transportation funds and financed with transportation funds.

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

24 (2) Not later than 2 months after publication of the state of  
25 Michigan comprehensive annual financial report, each state  
26 department receiving funding pursuant to an interdepartment  
27 contract with the department shall submit a written report to the

1 department, the state budget director, and the house and senate  
2 fiscal agencies stating by spending authorization account the  
3 amount of estimated funds contracted with the department, the  
4 amount of funds expended, the amount of funds returned to the  
5 transportation funds, and any unreimbursed transportation-related  
6 costs incurred but not billed to transportation funds. A copy of  
7 the report shall be submitted to the auditor general, and the  
8 report shall be subject to audit by the auditor general as provided  
9 in subsection (3).

10 (3) Biennially, in each even-numbered fiscal year, the auditor  
11 general shall conduct an audit of charges to transportation funds  
12 by state departments for the 2 preceding fiscal years. The audit  
13 shall include both charges governed by interdepartmental contracts  
14 as well as miscellaneous charges from other state departments not  
15 governed by contracts. The auditor general shall prepare a detailed  
16 report, with recommendations and conclusions, including a summary  
17 of charges and related services to transportation funds by  
18 department, the appropriateness of those charges, the cost  
19 allocation methodologies used in determining the level of funding,  
20 and any unreimbursed transportation-related costs, if any. The  
21 report shall be provided to the senate and house of representatives  
22 committees on appropriations, the senate and house fiscal agencies,  
23 and the state budget director 9 months after publication of the  
24 state of Michigan comprehensive annual financial report.

25 Sec. 307. Before March 1 of each year, the department will  
26 provide to the legislature, the state budget office, and the house  
27 and senate fiscal agencies its rolling 5-year plan listing by

1 county or by county road commission all highway construction  
2 projects for the fiscal year and all expected projects for the  
3 ensuing fiscal years.

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

16       Sec. 309. The department shall continue its efforts to reduce  
17 administrative costs and provide the maximum funding possible for  
18 construction projects.

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

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

1 contained in the annual state transportation program.

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

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

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

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

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

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

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

13 Sec. 321. In evaluating and awarding enhancement grants, the  
14 department shall give preference to applicants which have adopted  
15 complete streets policies. In addition, the department shall give  
16 preference to enhancement grant applications which further complete  
17 streets policy objectives. The department shall report to the house  
18 and senate appropriations subcommittees on transportation, and the  
19 house and senate fiscal agencies, on or before March 1, 2011, on  
20 the specific actions taken to comply with the intent of this  
21 section.

22 Sec. 322. The department shall work with representatives of  
23 state public universities to assist in the development and  
24 implementation of complete streets policies on university road and  
25 street systems.

26 Sec. 323. The department shall include staff with expertise in  
27 nonmotorized and multi-modal transportation planning in development

1 of projects on non-limited-access trunkline projects within  
2 municipal boundaries.

3       Sec. 324. (1) It is the intent of the legislature that the  
4 department and local road agencies that receive appropriations  
5 under this act work to develop and adopt complete street policies.  
6 In planning, design, construction, maintenance, and operation of  
7 streets and highways, the department and local road agencies shall  
8 adhere to the adopted complete street policy.

9       (2) It is the intent of the legislature that the department  
10 serve as a resource for local agencies in the development and  
11 implementation of complete streets policies. The department shall  
12 provide assistance to and coordinate with local road agencies and  
13 metropolitan planning organizations in developing complete street  
14 policies, including the development of model complete street  
15 policies. As used in this section, "complete streets policy" means  
16 a state or local law, ordinance, or policy that ensures both of the  
17 following:

18       (a) The adequate accommodation, in all phases of project  
19 planning, development, construction, maintenance, and operation of  
20 all users of the transportation system, including, but not limited  
21 to, pedestrians, bicyclists, public transit users, children, older  
22 individuals, motorists, and individuals with disabilities.

23       (b) The consideration of the safety and convenience of all  
24 users in all phases of project planning and development.

25       Sec. 334. The department shall continue its program to  
26 increase the use of women- and minority-owned businesses in state  
27 and local road construction projects. This program shall comprise,

1 at a minimum, outreach and education efforts to inform women- and  
2 minority-owned firms of department competitive bidding processes  
3 and requirements, and an assessment of the availability of surety  
4 for women- and minority-owned businesses. The department shall  
5 report by September 30 of each year to the house and senate  
6 appropriations subcommittees on transportation and the house and  
7 senate fiscal agencies of its progress in complying with this  
8 section.

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

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

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

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

26       Sec. 383. (1) The department shall prepare a quarterly report  
27 on all travel by executive branch employees, and others including

1 local public officials, university employees, and other public  
2 employees on department-owned aircraft. The report shall include,  
3 by department, the name of the traveler, the travel origination  
4 location, the travel destination location, type of aircraft, and  
5 the total estimated costs associated with the air travel.

6 (2) The report shall be submitted to the senate and house  
7 appropriations subcommittees on transportation and the house and  
8 senate fiscal agencies.

9 (3) From the funds appropriated in part 1, the department is  
10 prohibited from transporting legislators or legislative staff on  
11 state-owned aircraft without prior approval from the senate  
12 majority leader or the speaker of the house of representatives and  
13 only when the aircraft is already scheduled by state employees on  
14 related official state business.

15 (4) The department shall maintain a system for recovering the  
16 cost of operating department-owned aircraft through charges to  
17 aircraft users.

18 Sec. 393. The department shall promote best practices for  
19 public transportation services in this state, including, but not  
20 limited to, the following:

21 (a) Transit vehicle rehabilitation to reduce life-cycle cost  
22 of public transportation through mid-life rehabilitation of transit  
23 buses.

24 (b) Coordination with the Michigan economic development  
25 corporation to promote transition of bus fleets hybrid transit  
26 vehicles with a view to promotion of fuel economy.

27 (c) Cooperation between entities using transit, including

1 school districts, cities, townships, and counties with a view to  
2 promoting cost savings through joint purchasing of fuel and other  
3 procurements.

4 (d) Coordination of transportation dollars among state  
5 departments which provide transit-related services, including the  
6 department of human services and the department of community  
7 health. Priority should be given to use of public transportation  
8 services where available.

9 (e) Promotion of intelligent transportation services for buses  
10 that incorporate computer and navigation technology to make  
11 transit systems more efficient, including stoplight coordinating,  
12 vehicle tracking, data tracking, and computerized scheduling.

13 Sec. 398. (1) The appropriation included in part 1 to a  
14 nonprofit street railway is pursuant to section 10e(22) of 1951 PA  
15 51, MCL 247.660e. A nonprofit street railway receiving  
16 appropriations from part 1 shall submit a quarterly report to the  
17 department, including, but not limited to, the construction  
18 spending, operating cost, revenue, and ridership, for the preceding  
19 fiscal quarter no later than 60 days after the end of the quarter.

20 (2) In addition to the appropriation in part 1 to a nonprofit  
21 street railway, there is appropriated \$100.00 from the  
22 transportation economic development fund to provide matching funds  
23 for transit-oriented development projects, including, but not  
24 limited to, high-speed rail, commuter and light rail, or fixed-  
25 guideway projects.

26 Sec. 399. In addition to the appropriations in part 1, there  
27 is appropriated \$100.00 from the transportation economic

1 development fund to provide start-up funding for a regional transit  
2 authority established in House Bill No. 5731. It is the intention  
3 of the legislature that this funding is 1-time funding.

4 **FEDERAL**

5       Sec. 401. Within 30 days of receiving the applicable fiscal  
6 year authorization from the federal government to commit  
7 transportation funds, the department shall notify local agency  
8 representatives, the senate and house of representatives  
9 appropriations transportation subcommittees, the senate and house  
10 fiscal agencies, and the state budget director regarding the amount  
11 of federal aid for categorical allocations to state and local  
12 agency programs not specifically allocated in either federal or  
13 state law.

14       Sec. 402. A portion of the federal DOT-FHWA highway research,  
15 planning, and construction funds made available to the state shall  
16 be allocated to transportation programs administered by local  
17 jurisdictions in accordance with section 10o of 1951 PA 51, MCL  
18 247.660o. A local road agency, with respect to a project approved  
19 for federal aid funding in a state transportation improvement  
20 program, may enter into a voluntary buyout agreement with the  
21 department or with another local road agency to exchange the  
22 federal aid with state restricted transportation funds as agreed to  
23 by the respective parties. The state restricted transportation  
24 funds received in exchange for federal aid funds shall be used for  
25 the same purpose as the federal aid funds were originally intended.

1 **MICHIGAN TRANSPORTATION FUND**

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

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

15       Sec. 503. (1) The funds appropriated in part 1 for the  
16 economic development and local bridge programs shall not lapse at  
17 the end of the fiscal year but shall carry forward each fiscal year  
18 for the purposes for which appropriated in accordance with 1987 PA  
19 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL  
20 247.660.

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

25       (3) In addition to the funds appropriated in part 1, the  
26 department of transportation economic development fund and local  
27 bridge fund may receive federal, local, or private funds or

1 restricted source funds such as interest earnings. These funds are  
2 appropriated for projects that are consistent with the purposes of  
3 the respective funds.

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

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

17 **STATE TRUNKLINE FUND**

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

1 efforts to develop performance and road construction warranties.

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

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

21       Sec. 604. It is the intent of the legislature that, whenever  
22 practical, the department shall place signs designed in compliance  
23 with the Michigan manual on uniform traffic control devices for  
24 streets and highways at each highway construction work zone subject  
25 to the jurisdiction of the department. The signs shall notify the  
26 operators of vehicles in a work zone of the increased fines and  
27 penalties provided for the protection and safety of construction

1 workers and the public under section 601b of the Michigan vehicle  
2 code, 1949 PA 300, MCL 257.601b.

3 Sec. 607. It is the intent of the legislature that the  
4 Michigan department of transportation work to add a southbound  
5 entrance ramp at the interchange of I-75 at Corunna Road in the  
6 charter township of Flint.

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

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

21 Sec. 612. The department shall establish guidelines governing  
22 incentives and disincentives provided under contracts for state  
23 trunkline projects. The guidelines shall include specific financial  
24 information concerning incentives and disincentives. On or before  
25 January 1 of each year, the department shall prepare a report for  
26 the immediately preceding fiscal year regarding contract incentives  
27 and disincentives. This report shall include a list, by project, of

1 the contractors that received contract incentives and/or  
2 disincentives, the amount of the incentives and/or disincentives,  
3 and the number of days that each project was completed either ahead  
4 or past the contracted completion date. This report shall be  
5 provided to the senate and house appropriations subcommittees on  
6 transportation, the senate and house standing committees on  
7 transportation, and the senate and house fiscal agencies.

8       Sec. 615. It is the intent of the legislature that the  
9 department shall proceed with the construction of a full  
10 interchange at the intersection of M-48 and I-75 in Chippewa  
11 County. It is the intent of the legislature that the department  
12 develop design plans and award the construction contract for this  
13 project during the fiscal year ending September 30, 2011.

14       Sec. 654. It is the intent of the legislature that the  
15 Mackinac Bridge Authority work to protect the long-term viability  
16 of the Mackinac Bridge.

17       Sec. 659. For pavement projects for which there are no  
18 Michigan actual historic project maintenance, repair, and  
19 resurfacing schedules and costs as recorded by the pavement  
20 management system, the department may use actual historical and  
21 comparable data for equivalent designs from states with similar  
22 climates, soil structures, and vehicle traffic.

23       Sec. 660. The legislature encourages the department to examine  
24 the use of alternative road surface materials, including recycled  
25 materials, and to develop criteria and specifications for its use  
26 in both department-managed and contracted projects.

27       Sec. 661. It is the intent of the legislature that if actual

1 state restricted revenues exceed the revenue estimates upon which  
2 the appropriations in part 1 of this act were based, additional  
3 revenue be used to match available federal-aid highway funding, and  
4 that the department give priority to reinstating delayed and  
5 deferred projects, including, but not limited, to the resurfacing  
6 of northbound and southbound M-3 within the city of Mt. Clemens.

7 **COMPREHENSIVE TRANSPORTATION FUND**

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

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

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

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

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

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

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

27 Between St. Ignace and Escanaba US-2

1	Between Escanaba and Duluth	US-2 through Ironwood to the
2		state line
3	Between Calumet and Escanaba	US-41
4	Between Escanaba and Milwaukee	US-41 through Menominee to
5		the state line
6	Between St. Ignace and	
7	Sault Ste. Marie	I-75
8	Between Detroit and Chicago	I-94 from Detroit to the
9		state line
10	Between Detroit and Muskegon	I-96
11	Between Grand Rapids, Holland,	
12	and Benton Harbor	I-196 to I-94
13	Between Muskegon and Grand	
14	Rapids	US-31, I-96
15	Between Detroit and Bay City	I-75
16	Between Bay City and Mount	
17	Pleasant	US-10, M-20
18	Between Jackson and Traverse	US-127, US-27, I-75,
19	City	Grayling,
20		Gaylord, M-72 to Traverse
21		City
22	Between Jackson and	I-69, I-94 to the state line
23	Indianapolis	through Albion, Marshall,
24		and Coldwater
25	Between Houghton Lake and	
26	Cadillac	M-55 and M-66
27	Between Detroit and Toledo	I-75 to the state line

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

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

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

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

7           (3) Future state support for the service between Grand Rapids  
8 and Chicago and Port Huron and Chicago is dependent on the  
9 department's ability to provide a plan and a contract for services  
10 that increase ridership and revenue, reduce operating costs, and  
11 improve on-time performance.

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

18           (5) For rail passenger service supported in any part through  
19 capital or operating assistance from funds appropriated in this  
20 act, the department shall work with the rail carrier to identify  
21 ways in which reasonable transport of bicycles by passengers can be  
22 accommodated.

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

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

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

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

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

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

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

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

20           (d) Maintain sufficient local and community funding.

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

24           Sec. 740. The department shall report by March 1 of each year  
25 to the house of representatives and senate appropriations  
26 subcommittees on transportation, the house and senate fiscal  
27 agencies, and the state budget director the encumbered and

1 unencumbered balances of the comprehensive transportation fund.

2       Sec. 743. The legislature encourages the department to include  
3 a hybrid-electric vehicle (HEV) option in all requests for proposal  
4 for vehicles up to and including Class 5 purchased by or through  
5 the department.

6       Sec. 745. From the funds appropriated in part 1 for  
7 comprehensive transportation fund debt service, up to  
8 \$13,200,000.00 shall be transferred to a restricted account in  
9 compliance with the internal revenue code of 1986, as required by  
10 comprehensive transportation refunding bonds series 2009.

11       **AERONAUTICS FUND**

12       Sec. 801. Except as otherwise provided in section 903 for  
13 capital outlay, at the close of the fiscal year, any unobligated  
14 and unexpended balance in the state aeronautics fund created in the  
15 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
16 to 259.208, shall lapse to the state aeronautics fund and be  
17 appropriated by the legislature in the immediately succeeding  
18 fiscal year.

19       **CAPITAL OUTLAY**

20       Sec. 901. (1) From federal-state-local project appropriations  
21 contained in part 1 for the purpose of assisting political entities  
22 and subdivisions of this state in the construction and improvement  
23 of publicly used airports and landing fields within this state, the  
24 state transportation department may permit the award of contracts  
25 on behalf of units of local government for the authorized locations

1 not to exceed the indicated amounts, of which the state allocated  
2 portion shall not exceed the amount appropriated in part 1.

3 (2) Political entities and subdivisions shall provide not less  
4 than 2.5% of the cost of any project under this section, unless a  
5 total nonfederal share greater than 5% is otherwise specified in  
6 federal law. State money shall not be allocated until local money  
7 is allocated. State money for any 1 project shall not exceed 1/3 of  
8 the total appropriation in part 1 from state funds for airport  
9 improvement programs.

10 (3) The Michigan aeronautics commission may take those steps  
11 necessary to match federal money available for airport construction  
12 and improvement within this state and to meet the matching  
13 requirements of the federal government. Whether acting alone or  
14 jointly with another political subdivision or public agency or with  
15 this state, a political subdivision or public agency of this state  
16 shall not submit to any agency of the federal government a project  
17 application for airport planning or development unless it is  
18 authorized in this act and the project application is approved by  
19 the governing body of each political subdivision or public agency  
20 making the application and by the Michigan aeronautics commission.

21 Sec. 902. Before the end of each fiscal year, the state  
22 transportation department shall report to the house and senate  
23 appropriations subcommittees on transportation the status of  
24 airport improvement projects funded in part 1 with the estimated  
25 dollars allocated for each project. If there has to be a delay in  
26 reporting, the state transportation department shall notify the  
27 house and senate appropriations subcommittees on transportation in

1 writing of the date the report will be received.

2       Sec. 903. The appropriations in part 1 for capital outlay  
3 shall be carried forward at the end of the fiscal year consistent  
4 with the provisions of section 248 of the management and budget  
5 act, 1984 PA 431, MCL 18.1248.

6       Sec. 904. (1) The director shall allocate lump-sum  
7 appropriations made in this act consistent with statutory  
8 provisions and the purposes for which funds were appropriated.  
9 Lump-sum allocations shall address priority program or facility  
10 needs and may include, but are not limited to, design,  
11 construction, remodeling and addition, special maintenance, major  
12 special maintenance, energy conservation, and demolition.

13       (2) The state budget director may authorize that funds  
14 appropriated for lump-sum appropriations and designated as work  
15 project appropriations shall be available for no more than 3 fiscal  
16 years following the fiscal year in which the original appropriation  
17 was made. Any remaining balance from allocations made in this  
18 section shall lapse to the fund from which it was appropriated  
19 pursuant to the lapsing of funds as provided in the management and  
20 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.