

SENATE 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

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

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

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

Full-time equated classified positions..... 3,016.3

GROSS APPROPRIATION..... \$ 3,244,145,700

Interdepartmental grant revenues:..... 878,300

Total interdepartmental grants and intradepartmental

transfers 878,300

ADJUSTED GROSS APPROPRIATION..... \$ 3,243,267,400

Federal revenues:

DOT, federal transit act..... 61,285,000

DOT, federal aviation administration..... 102,927,900

DOT-FHWA, highway research, planning, and construction 1,060,167,700

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

DOT-FRA, rail passenger/HSGT..... 3,000,000

Total federal revenues..... 1,227,480,600

Special revenue funds:

Local funds..... 56,496,000

Total local revenues..... 56,496,000

Total private revenues..... 0

Blue Water Bridge fund..... 14,882,300

Comprehensive transportation fund..... 232,049,400

Economic development fund..... 42,134,000

1	Intercity bus equipment fund.....		2,000,000
2	IRS debt service rebate.....		7,523,400
3	Local bridge fund.....		30,061,300
4	Michigan transportation fund.....		942,648,100
5	Rail freight fund.....		2,000,000
6	State aeronautics fund.....		16,401,300
7	State trunkline fund.....		666,615,600
8	Other state restricted funds.....		2,975,400
9	Total other state restricted revenues.....		1,959,290,800
10	State general fund/general purpose.....	\$	0
11	Sec. 102. DEBT SERVICE		
12	State trunkline.....	\$	198,853,000
13	Economic development.....		9,173,400
14	Local bridge fund.....		3,261,500
15	Blue Water Bridge.....		2,216,400
16	Airport safety and protection plan.....		3,456,000
17	Comprehensive transportation.....		<u>29,852,700</u>
18	GROSS APPROPRIATION.....	\$	246,813,000
19	Appropriated from:		
20	Federal revenues:		
21	DOT-FHWA, highway research, planning, and construction		45,832,100
22	Special revenue funds:		
23	Blue Water Bridge fund.....		2,216,400
24	Comprehensive transportation fund.....		29,852,700
25	Economic development fund.....		9,173,400
26	IRS debt service rebate.....		7,523,400
27	Local bridge fund.....		3,261,500

1	State aeronautics fund.....	3,456,000
2	State trunkline fund.....	145,497,500
3	State general fund/general purpose.....	\$ 0
4	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
5	Michigan transportation fund (MTF)	
6	MTF grant to department of natural resources and	
7	environment	\$ 1,132,600
8	MTF grant to department of state for collection of	
9	revenue and fees	20,000,000
10	MTF grant to department of treasury.....	8,383,600
11	MTF grant to legislative auditor general.....	204,300
12	State trunkline fund (STF)	
13	STF grant to department of attorney general.....	2,867,300
14	STF grant to civil service commission.....	5,697,000
15	STF grant to department of technology, management,	
16	and budget	1,218,600
17	STF grant to department of state police.....	10,203,200
18	STF grant to department of treasury.....	142,200
19	STF grant to legislative auditor general.....	474,600
20	State aeronautics fund (SAF)	
21	SAF grant to department of attorney general.....	169,500
22	SAF grant to civil service commission.....	150,000
23	SAF grant to department of technology, management,	
24	and budget	32,800
25	SAF grant to department of treasury.....	76,100
26	SAF grant to legislative auditor general.....	19,600
27	Comprehensive transportation fund (CTF)	

1	CTF grant to attorney general.....	171,700
2	CTF grant to civil service commission.....	200,000
3	CTF grant to department of technology, management,	
4	and budget	37,400
5	CTF grant to department of treasury.....	6,500
6	CTF grant to legislative auditor general.....	<u>25,200</u>
7	GROSS APPROPRIATION.....	\$ 51,212,200
8	Appropriated from:	
9	Special revenue funds:	
10	Comprehensive transportation fund.....	440,800
11	Michigan transportation fund.....	29,720,500
12	State aeronautics fund.....	448,000
13	State trunkline fund.....	20,602,900
14	State general fund/general purpose.....	\$ 0
15	Sec. 104. EXECUTIVE DIRECTION	
16	Full-time equated unclassified positions..... 6.0	
17	Full-time equated classified positions..... 31.3	
18	Unclassified salaries.....	\$ 583,800
19	Asset management council.....	1,626,400
20	Commission audit--31.3 FTE positions.....	<u>3,485,600</u>
21	GROSS APPROPRIATION.....	\$ 5,695,800
22	Appropriated from:	
23	Special revenue funds:	
24	Michigan transportation fund.....	1,626,400
25	State trunkline fund.....	4,069,400
26	State general fund/general purpose.....	\$ 0
27	Sec. 105. BUSINESS SUPPORT	

1	Full-time equated classified positions.....	58.0	
2	Business support services--49.0 FTE positions		\$ 6,001,400
3	Economic development and enhancement programs--9.0		
4	FTE positions		1,146,100
5	Property management.....		7,364,600
6	Worker's compensation.....		<u>1,784,600</u>
7	GROSS APPROPRIATION.....		\$ 16,296,700
8	Appropriated from:		
9	Special revenue funds:		
10	Comprehensive transportation fund.....		1,278,600
11	Economic development fund.....		457,900
12	Michigan transportation fund.....		197,000
13	State aeronautics fund.....		612,500
14	State trunkline fund.....		13,750,700
15	State general fund/general purpose.....		\$ 0
16	Sec. 106. INFORMATION TECHNOLOGY		
17	Information technology services and projects		\$ <u>28,439,000</u>
18	GROSS APPROPRIATION.....		\$ 28,439,000
19	Appropriated from:		
20	Federal revenues:		
21	DOT-FHWA, highway research, planning, and construction		520,500
22	Special revenue funds:		
23	Blue Water Bridge fund.....		48,300
24	Comprehensive transportation fund.....		192,400
25	Economic development fund.....		37,200
26	Michigan transportation fund.....		254,200
27	State aeronautics fund.....		150,200

1	State trunkline fund.....	27,236,200
2	State general fund/general purpose.....	\$ 0
3	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES	
4	Full-time equated classified positions.....	250.5
5	Financial operations--87.0 FTE positions.....	\$ 8,884,800
6	Contract services--53.6 FTE positions.....	4,813,500
7	Departmental services--41.9 FTE positions.....	4,845,900
8	Performance excellence--13.0 FTE positions.....	1,516,700
9	Welcome center operations--55.0 FTE positions.....	<u>2,335,600</u>
10	GROSS APPROPRIATION.....	\$ 22,396,500
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG for accounting service center user charges.....	878,300
14	Special revenue funds:	
15	Michigan transportation fund.....	1,753,300
16	State trunkline fund.....	19,764,900
17	State general fund/general purpose.....	\$ 0
18	Sec. 108. TRANSPORTATION PLANNING	
19	Full-time equated classified positions.....	176.0
20	Statewide planning services--124.0 FTE positions.....	\$ 13,385,300
21	Data collection services--52.0 FTE positions.....	5,951,300
22	Specialized planning services and local studies.....	16,229,100
23	Grants to regional planning councils.....	<u>488,800</u>
24	GROSS APPROPRIATION.....	\$ 36,054,500
25	Appropriated from:	
26	Federal revenues:	
27	DOT-FHWA, highway research, planning, and construction	22,000,000

1	Special revenue funds:		
2	Comprehensive transportation fund.....		903,500
3	Michigan transportation fund.....		5,947,500
4	State aeronautics fund.....		13,700
5	State trunkline fund.....		7,189,800
6	State general fund/general purpose.....	\$	0
7	Sec. 109. DESIGN AND ENGINEERING SERVICES		
8	Full-time equated classified positions.....	1,492.8	
9	Engineering services--800.1 FTE positions.....	\$	61,302,900
10	Program services--680.7 FTE positions.....		36,848,500
11	Intelligent transportation systems operations--12.0		
12	FTE positions		<u>10,378,300</u>
13	GROSS APPROPRIATION.....	\$	108,529,700
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHWA, highway research, planning, and construction		23,529,800
17	Special revenue funds:		
18	Michigan transportation fund.....		6,113,900
19	State trunkline fund.....		78,886,000
20	State general fund/general purpose.....	\$	0
21	Sec. 110. HIGHWAY MAINTENANCE		
22	Full-time equated classified positions.....	836.7	
23	State trunkline operations--836.7 FTE positions.....	\$	112,604,500
24	Contract operations.....	\$	<u>123,474,100</u>
25	GROSS APPROPRIATION.....	\$	236,078,600
26	Appropriated from:		
27	Special revenue funds:		

1	State trunkline fund.....	236,078,600
2	State general fund/general purpose	0
3	Sec. 111. ROAD AND BRIDGE PROGRAMS	
4	State trunkline federal aid and road and bridge	
5	construction	\$ 857,636,800
6	Local federal aid and road and bridge construction...	248,751,000
7	Grants to local programs.....	33,000,000
8	Rail grade crossing.....	3,000,000
9	Local bridge program.....	26,799,800
10	County road commissions.....	551,352,700
11	Cities and villages.....	<u>307,403,800</u>
12	GROSS APPROPRIATION.....	\$ 2,027,944,100
13	Appropriated from:	
14	Federal revenues:	
15	DOT-FHWA, highway research, planning, and construction	961,770,500
16	Special revenue funds:	
17	Local funds.....	30,000,000
18	Blue Water Bridge fund.....	7,107,300
19	Local bridge fund.....	26,799,800
20	Michigan transportation fund.....	894,756,500
21	State trunkline fund.....	107,510,000
22	State general fund/general purpose.....	\$ 0
23	Sec. 112. BLUE WATER BRIDGE	
24	Full-time equated classified positions.....	41.0
25	Blue Water Bridge operations--41.0 FTE positions	\$ <u>5,510,300</u>
26	GROSS APPROPRIATION.....	\$ 5,510,300
27	Appropriated from:	

1	Special revenue funds:		
2	Blue Water Bridge fund.....		5,510,300
3	State general fund/general purpose.....	\$	0
4	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
5	Forest roads.....	\$	5,040,000
6	Rural county urban system.....		2,500,000
7	Target industries/economic redevelopment.....		7,212,700
8	Urban county congestion.....		8,356,400
9	Rural county primary.....		8,356,400
10	Nonprofit street railways.....		<u>1,000,000</u>
11	GROSS APPROPRIATION.....	\$	32,465,500
12	Appropriated from:		
13	Special revenue funds:		
14	Economic development fund.....		32,465,500
15	State general fund/general purpose.....	\$	0
16	Sec. 114. AERONAUTICS AND FREIGHT SERVICES		
17	Full-time equated classified positions.....	84.0	
18	Airport improvement services--30.0 FTE positions.....	\$	3,030,100
19	Aviation services--26.0 FTE positions.....		4,353,700
20	Freight and safety services--28.0 FTE positions.....		3,647,000
21	Air service program.....		<u>464,600</u>
22	GROSS APPROPRIATION.....	\$	11,495,400
23	Appropriated from:		
24	Special revenue funds:		
25	Comprehensive transportation fund.....		1,577,900
26	Michigan transportation fund.....		2,069,100
27	State aeronautics fund.....		7,848,400

1	State general fund/general purpose	\$	0
2	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
3	Full-time equated classified positions.....	46.0	
4	Passenger transportation services--46.0 FTE positions	\$	<u>5,010,300</u>
5	GROSS APPROPRIATION.....	\$	5,010,300
6	Appropriated from:		
7	Federal revenues:		
8	DOT, federal transit act.....		862,100
9	Special revenue funds:		
10	Comprehensive transportation fund.....		3,938,500
11	Michigan transportation fund.....		209,700
12	State general fund/general purpose	\$	0
13	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
14	Local bus operating.....	\$	166,624,000
15	Nonurban operating/capital.....		<u>22,787,900</u>
16	GROSS APPROPRIATION.....	\$	189,411,900
17	Appropriated from:		
18	Federal revenues:		
19	DOT, federal transit act.....		21,987,900
20	Special revenue funds:		
21	Local funds.....		800,000
22	Comprehensive transportation fund.....		166,624,000
23	State general fund/general purpose	\$	0
24	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
25	Freight property management.....	\$	950,000
26	Detroit/Wayne County port authority.....		468,200
27	Intercity services.....		7,250,000

1	Rail passenger service.....	11,667,000
2	Freight preservation and development.....	2,691,400
3	Marine passenger services.....	340,000
4	Terminal development.....	<u>127,500</u>
5	GROSS APPROPRIATION.....	\$ 23,494,100
6	Appropriated from:	
7	Federal revenues:	
8	DOT, federal transit act.....	4,500,000
9	DOT-FRA, local rail service assistance.....	100,000
10	DOT-FRA, rail passenger/HSGT.....	3,000,000
11	Special revenue funds:	
12	Local funds.....	50,000
13	Comprehensive transportation fund.....	11,844,100
14	Intercity bus equipment fund.....	2,000,000
15	Rail freight fund.....	2,000,000
16	State general fund/general purpose.....	\$ 0
17	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
18	Specialized services.....	\$ 6,922,700
19	Municipal credit program.....	1,700,000
20	Bus capital.....	41,300,000
21	Van pooling.....	56,900
22	Service initiatives.....	1,400,000
23	Transportation to work.....	<u>7,152,300</u>
24	GROSS APPROPRIATION.....	\$ 58,531,900
25	Appropriated from:	
26	Federal revenues:	
27	DOT, federal transit act.....	33,935,000

1	Special revenue funds:	
2	Local funds.....	9,200,000
3	Comprehensive transportation fund.....	15,396,900
4	State general fund/general purpose.....	\$ 0
5	Sec. 119. CAPITAL OUTLAY	
6	(1) BUILDINGS AND FACILITIES	
7	Salt storage buildings and containment control	
8	systems - contract agencies	\$ 1,000,000
9	Port Huron replacement welcome center, inspection	
10	station, Blue Water Bridge administration and	
11	maintenance satellite facilities.....	11,518,300
12	Miscellaneous special maintenance, remodeling, and	
13	additions	<u>3,001,500</u>
14	GROSS APPROPRIATION.....	\$ 15,519,800
15	Appropriated from:	
16	Federal revenues:	
17	DOT-FHWA, highway research, planning, and construction	6,514,800
18	Special revenue funds:	
19	Other state restricted funds.....	2,975,400
20	State trunkline fund.....	6,029,600
21	State general fund/general purpose.....	\$ 0
22	(2) AIRPORT IMPROVEMENT PROGRAMS	
23	Airport safety, protection, and improvement program..	\$ <u>123,246,400</u>
24	GROSS APPROPRIATION.....	\$ 123,246,400
25	Appropriated from:	
26	Federal revenues:	
27	DOT, federal aviation administration.....	102,927,900

1 Special revenue funds:

2	Local funds.....	16,446,000
3	State aeronautics fund.....	3,872,500
4	State general fund/general purpose.....	\$ 0

5 PART 2

6 PROVISIONS CONCERNING APPROPRIATIONS

7 GENERAL SECTIONS

8 Sec. 201. Pursuant to section 30 of article IX of the state
 9 constitution of 1963, total state spending from state resources
 10 under part 1 for fiscal year 2010-2011 is \$1,966,266,900.00 and
 11 state spending from state resources to be paid to local units of
 12 government for fiscal year 2010-2011 is \$1,141,628,800.00. The
 13 itemized statement below identifies appropriations from which
 14 spending to units of local government will occur:

15 DEPARTMENT OF TRANSPORTATION

16	Grants to local programs.....	\$ 33,000,000
17	Rail grade crossing.....	3,000,000
18	Economic development fund.....	31,465,500
19	Grants to cities and villages.....	307,403,800
20	Grants to county road commissions.....	551,352,700
21	Local bridge fund.....	26,799,800
22	Grants to regional planning councils.....	488,800
23	Air service program.....	464,600
24	Local bus operating.....	166,624,000
25	Bus capital.....	8,000,000

1	Marine passenger service.....	340,000
2	Terminal development.....	127,500
3	Detroit/Wayne County port authority.....	468,200
4	Municipal credit program.....	1,700,000
5	Specialized services.....	3,437,700
6	Service initiatives.....	50,000
7	Transportation to work.....	2,152,300
8	Salt/sand storage and secondary containment	
9	facilities - contract agency locations.....	1,000,000
10	Airport safety, protection, and improvement	
11	program.....	<u>3,872,500</u>
12	Total payments to local units of government	\$ 1,141,747,400

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

16 Sec. 203. As used in this act:

17 (a) "AASHTO" means American association of state highway and
18 transportation officials.

19 (b) "ASTM" means American society for testing and materials.

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

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

22 (e) "DOT" means the United States department of
23 transportation.

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

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

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

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

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

3 (k) "IRS" means internal revenue service.

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

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

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

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

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

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

20 (2) The state budget director may grant exceptions to this
21 hiring freeze when the state budget director believes that the
22 hiring freeze will result in rendering a state department or agency
23 unable to deliver basic services, causes loss of revenue to the
24 state, would result in the inability of the state to receive
25 federal funds, or would necessitate additional expenditures that
26 exceed any savings from maintaining a vacancy. The state budget
27 director shall report quarterly to the chairpersons of the senate

1 and house of representatives standing committees on appropriations
2 the number of exceptions to the hiring freeze approved during the
3 previous quarter and the reasons to justify the exception.

4 Sec. 206. (1) In addition to the funds appropriated in part 1,
5 there is appropriated an amount not to exceed \$200,000,000.00 for
6 federal 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 (2) In addition to the funds appropriated in part 1, there is
11 appropriated an amount not to exceed \$40,000,000.00 for state
12 restricted contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item
14 in this act pursuant to section 393(2) of the management and budget
15 act, 1984 PA 431, MCL 18.1393.

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

1 Sec. 207. When beginning any effort to privatize, the
2 department shall submit a complete project plan to the house of
3 representatives and senate appropriations subcommittees on
4 transportation, the state budget office, and the house and senate
5 fiscal agencies. The plan shall include the rationale for
6 privatization, including a cost-benefit analysis if appropriate.
7 The evaluation shall be completed and submitted to the appropriate
8 senate and house of representatives appropriations subcommittees
9 and the senate and house fiscal agencies. As used in this section,
10 "privatize" or "privatization" means the transfer of state highway
11 maintenance or activities currently performed by department forces,
12 or by boards of county road commissioners, county boards of
13 commissioners, or local units of government under contract with the
14 department, to private contractors.

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

21 Sec. 209. Funds appropriated in part 1 shall not be used for
22 the purchase of foreign goods or services, or both, if
23 competitively priced and of comparable quality American goods or
24 services, or both, are available. Preference shall be given to
25 goods or services, or both, manufactured or provided by Michigan
26 businesses, if they are competitively priced and of comparable
27 quality. In addition, preference shall be given to goods or

1 services, or both, that are manufactured or provided by Michigan
2 businesses owned and operated by veterans, if they are
3 competitively priced and of comparable quality.

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

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

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

22 Sec. 260. (1) Due to the current budgetary problems in this
23 state, out-of-state travel shall be limited to situations in which
24 1 or more of the following conditions apply:

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

27 (b) The travel is necessary to protect the health or safety of

1 Michigan citizens or visitors or to assist other states in similar
2 circumstances.

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

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

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

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

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

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

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

1 (b) The destination of each travel occurrence.

2 (c) The dates of each travel occurrence.

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

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

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

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

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

21 Sec. 263. (1) The department shall report no later than April
22 1, 2011 on each specific policy change made to implement a public
23 act affecting the department that took effect during the prior
24 calendar year to the house and senate appropriations subcommittees
25 on the budget for the department, the joint committee on
26 administrative rules, and the senate and house fiscal agencies.

27 (2) Funds appropriated in part 1 shall not be used by the

1 department to adopt a rule that will apply to a small business and
2 that will have a disproportionate economic impact on small
3 businesses because of the size of those businesses if the
4 department fails to reduce the disproportionate economic impact of
5 the rule on small businesses as provided under section 40 of the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

7 (3) As used in this section:

8 (a) "Rule" means that term as defined under section 7 of the
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

10 (b) "Small business" means that term as defined under section
11 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
12 24.207a.

13 Sec. 264. The department shall continue its efforts to
14 implement continuous process improvement programs. On or before
15 March 1, 2011, the department shall report to the state budget
16 director, the house and senate appropriations subcommittees on
17 transportation, and the house and senate fiscal agencies on
18 department activities to increase efficiency in the delivery of
19 core programs. The report shall include a description of activities
20 of the performance excellence section in identifying and
21 implementing business process improvements.

22 Sec. 265. The department shall not approve the travel of more
23 than 1 departmental employee to a specific professional development
24 conference or training seminar that is located outside of this
25 state unless a professional development conference or training
26 seminar that is funded by a federal or private funding source and
27 requires more than 1 person from a department to attend or the

1 conference or training seminar includes more than 1 issue in which
2 1 employee from the department does not have expertise.

3 Sec. 266. From the funds appropriated in part 1, the
4 department shall use an amount not to exceed \$10,000.00 to develop,
5 post, and maintain, on a publicly accessible Internet site, all
6 expenditures made by the agency within a fiscal year. The posting
7 must include the purpose for which each expenditure is made. The
8 department shall not be required to hire additional employees to
9 comply with this section.

10 **DEPARTMENTAL SECTIONS**

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

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

1 comments.

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

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

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

20 Sec. 306. (1) The amounts appropriated in section 103 to
21 support tax and fee collection, law enforcement, and other program
22 services provided to the department and to transportation funds by
23 other state departments shall be expended from transportation funds
24 pursuant to annual contracts between the department and those other
25 state departments. The contracts shall be executed prior to the
26 expenditure or obligation of those funds. The contracts shall
27 provide, but are not limited to, the following data applicable to

1 each state department:

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

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

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

8 (2) Not later than 2 months after publication of the state of
9 Michigan comprehensive annual financial report, each state
10 department receiving funding pursuant to an interdepartment
11 contract with the department shall submit a written report to the
12 department, the state budget director, and the house and senate
13 fiscal agencies stating by spending authorization account the
14 amount of estimated funds contracted with the department, the
15 amount of funds expended, the amount of funds returned to the
16 transportation funds, and any unreimbursed transportation-related
17 costs incurred but not billed to transportation funds. A copy of
18 the report shall be submitted to the auditor general, and the
19 report shall be subject to audit by the auditor general as provided
20 in subsection (4).

21 (3) In addition to the requirements of subsection (2), the
22 state treasurer shall develop a cost allocation plan to identify
23 the actual costs of work based on time and effort performed by the
24 Michigan department of treasury for state-restricted transportation
25 funds. The cost allocation plan shall specifically identify the
26 costs of collecting constitutionally restricted motor fuel taxes.
27 The cost allocation plan shall be submitted to the senate and house

1 of representatives standing committees on appropriations
2 subcommittees on general government, the senate and house fiscal
3 agencies, the auditor general, and the state budget director by
4 November 1. The cost allocation plan shall be subject to audit by
5 the auditor general.

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

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

27 Sec. 308. The department and local road agencies that receive

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

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

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

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

26 Sec. 313. (1) From funds appropriated in part 1, the
27 department may increase a state infrastructure bank program and

1 grant or loan funds in accordance with regulations of the state
2 infrastructure bank program of the United States department of
3 transportation. The state infrastructure bank is to be administered
4 by the department for the purpose of providing a revolving, self-
5 sustaining resource for financing transportation infrastructure
6 projects.

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

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

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

27 (b) The time charged to each work activity, including time

1 charged to each audit, review, or investigation.

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

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

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

18 Sec. 334. The department shall continue its program to
19 increase the use of women- and minority-owned businesses in state
20 and local road construction projects. This program shall comprise,
21 at a minimum, outreach and education efforts to inform women- and
22 minority-owned firms of department competitive bidding processes
23 and requirements, and an assessment of the availability of surety
24 for women- and minority-owned businesses. The department shall
25 report by September 30 of each year to the house and senate
26 appropriations subcommittees on transportation and the house and
27 senate fiscal agencies of its progress in complying with this

1 section.

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

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

12 Sec. 358. On a bimonthly basis, the department shall report on
13 the number of FTEs in pay status by civil service classification to
14 the house and senate appropriations subcommittees on transportation
15 and the house and senate fiscal agencies.

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

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

23 Sec. 376. No later than March 1 of each year, the department
24 shall report to the senate and house appropriations subcommittees
25 on transportation on the status of the 17 projects that were
26 initially deferred in the department's 5-year plan in 2003 and
27 subsequently restored.

1 Sec. 383. (1) The department shall prepare a quarterly report
2 on all travel by executive branch employees, and others including
3 local public officials, university employees, and other public
4 employees on department-owned aircraft. The report shall include,
5 by department, the name of the traveler, the travel origination
6 location, the travel destination location, type of aircraft, and
7 the total estimated costs associated with the air travel.

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

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

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

20 Sec. 384. On or before March 1, 2011, the department shall
21 report to the state budget director, the house and senate
22 appropriations subcommittees on transportation, and the house and
23 senate fiscal agencies on department activities related to the
24 Detroit River International Crossing. The department shall not make
25 any expenditure, commit to an expenditure, or bind the state to an
26 expenditure, related to the Detroit River International Crossing
27 (DRIC) unless the legislature has enacted specific enabling

1 legislation to allow for the construction of DRIC.

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

5 (a) Transit vehicle rehabilitation to reduce life-cycle cost
6 of public transportation through mid-life rehabilitation of transit
7 buses.

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

11 (c) Cooperation between entities using transit, including
12 school districts, cities, townships, and counties with a view to
13 promoting cost savings through joint purchasing of fuel and other
14 procurements.

15 (d) Coordination of transportation dollars among state
16 departments which provide transit-related services, including the
17 department of human services and the department of community
18 health. Priority should be given to use of public transportation
19 services where available.

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

24 Sec. 394. (1) From the funds appropriated in part 1, the
25 department shall conduct a study, in consultation with the county
26 road association of Michigan and the Michigan municipal league, of
27 the current statutory formulae for the distribution of state and

1 federal revenue for surface transportation programs. The study
2 shall include an analysis of alternative distribution strategies
3 and a discussion of the extent to which current and alternative
4 distribution formulae contribute to statewide transportation goals.
5 The study shall include all of the following:

6 (a) A discussion of alternative distribution strategies for
7 state and local road and street programs, including distribution
8 methods based on vehicle miles traveled as compared to lane miles.

9 The study shall include a comparison of vehicle miles traveled to
10 lane miles for the sampled geographical areas as well as
11 comparisons to other states and an evaluation of best practices.

12 (b) A discussion of alternative methods of distributing state
13 operating assistance for local bus transit programs, including an
14 analysis of incentives for those agencies which demonstrate
15 efficient use of resources and increasing ridership levels.

16 (c) An analysis of the fiscal impact of alternative strategies
17 to individual transit and road agencies.

18 (2) The department shall deliver a report on the findings of
19 the study by March 1, 2011 to the house and senate appropriations
20 subcommittees on transportation, the house and senate
21 transportation committees, the house and senate fiscal agencies,
22 and the state budget director.

23 Sec. 395. It is the intent of the legislature that the
24 department assume jurisdiction of county road C-56 between US-31 at
25 Charlevoix and M-75 at Boyne City in Charlevoix County.

26 Sec. 398. (1) The appropriation included in part 1 to a
27 nonprofit street railway is pursuant to section 10e(22) of 1951 PA

1 51, MCL 247.660e. A nonprofit street railway receiving
2 appropriations from part 1 shall submit a quarterly report to the
3 department, including but not limited to, the construction
4 spending, operating cost, revenue and ridership, for the prior
5 fiscal quarter no later than 60 days after the end of the quarter.

6 (2) In addition to the appropriation in part 1 to a nonprofit
7 street railway, there is appropriated \$150.00 from the
8 transportation economic development fund to provide matching funds
9 for transit-oriented development projects, including, but not
10 limited to, high-speed rail, commuter and light rail, or fixed-
11 guideway projects.

12 Sec. 399. (1) From the funds appropriated in part 1 for
13 welcome centers, the department shall continue to maintain
14 operation of these facilities as standard rest areas. Should the
15 appropriation in part 1 be insufficient to continue operation of
16 these 14 facilities as rest areas, then the department may
17 permanently or seasonally close the necessary number of facilities
18 to reflect available funds. When considering a welcome center for
19 closure, the department shall only close those centers with the
20 lowest annual attendance rates according to the records maintained
21 by Travel Michigan.

22 (2) The department, in coordination with Travel Michigan,
23 shall develop an alternative to state funding and operation of the
24 welcome centers, including, but not limited to, relocating the
25 centers to alternative sites to allow for private entities to
26 operate similar facilities.

FEDERAL

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

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

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 energy, labor, and economic growth or the department of state

1 police is deposited in the Michigan transportation fund.

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

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

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

21 (3) In addition to the funds appropriated in part 1, the
22 department of transportation economic development fund and local
23 bridge fund may receive federal, local, or private funds or
24 restricted source funds such as interest earnings. These funds are
25 appropriated for projects that are consistent with the purposes of
26 the respective funds.

27 (4) None of the funds statutorily dedicated to the

1 transportation economic development fund and local bridge fund
2 shall be diverted to other projects.

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

13 STATE TRUNKLINE FUND

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

24 Sec. 602. If the department uses manufactured pipe for road
25 construction drainage, the department shall require that pipe used
26 under certain load-bearing conditions beneath the roadway meets the

1 standards established by the American society for testing and
2 materials (ASTM) or American association of state highway and
3 transportation officials (AASHTO). The department may also use the
4 mandrel test for manufactured pipe 60 days after installation and
5 provide a summary of the results of these inspections to the house
6 of representatives and senate appropriations subcommittees on
7 transportation and house and senate fiscal agencies.

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

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

24 Sec. 612. The department shall establish guidelines governing
25 incentives and disincentives provided under contracts for state
26 trunkline projects. The guidelines shall include specific financial
27 information concerning incentives and disincentives. On or before

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

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

17 Sec. 654. It is the intent of the legislature that the
18 Mackinac Bridge Authority work to protect the long-term viability
19 of the Mackinac Bridge.

20 Sec. 656. It is the intent of the legislature that the
21 department upgrade that section of M-49 from M-99 to US-12 to
22 standards necessary for designation as a designated highway as
23 provided under sections 717 and 718 of the Michigan vehicle code,
24 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a
25 "green" special designated highway on the department's truck
26 operator's map.

27 Sec. 658. It is the intent of the legislature that the

1 department proceed with the reconstruction of the interchange at I-
2 196 and Phoenix Road in South Haven.

3 Sec. 659. For pavement projects for which there are no
4 Michigan actual historic project maintenance, repair, and
5 resurfacing schedules and costs as recorded by the pavement
6 management system, the department may use actual historical and
7 comparable data for equivalent designs from states with similar
8 climates, soil structures, and vehicle traffic.

9 Sec. 660. The legislature encourages the department to examine
10 the use of alternative road surface materials, including recycled
11 materials, and to develop criteria and specifications for its use
12 in both department-managed and contracted projects.

13 Sec. 661. It is the intent of the legislature that the
14 department complete engineering design work and right-of-way
15 acquisitions for the proposed expressway project along US-127 from
16 St. Johns in Clinton County to Ithaca in Gratiot County.

17 Sec. 662. The department shall work with the Graafschap Fire
18 Department and Laketown Township to develop a gated, limited access
19 point along US 31 in Allegan County in order to improve emergency
20 response times along this highway.

21 Sec. 663. To provide a portion of the funds appropriated in
22 part 1 for road and bridge programs, it is the intent of the
23 legislature to do the following:

24 (a) Transfer \$15,877,500.00 of the balance of the
25 transportation economic development fund, established in section 2
26 of 1987 PA 231, MCL 247.902, to the state trunk line fund,
27 established in section 11 of 1951 PA 51, MCL 247.661.

1 (b) Transfer \$12,000,000.00 of driver license fee revenue
2 received during state fiscal year 2010-2011 for deposit in the
3 transportation economic development fund, established in section 2
4 of 1987 PA 231, MCL 247.902, to the state trunk line fund,
5 established in section 11 of 1951 PA 51, MCL 247.661.

6 (c) Transfer \$4,847,900.00 in sales tax revenue deposited
7 under section 25(4)(a) of the general sales tax act, 1933 PA 167,
8 MCL 205.75, in the comprehensive transportation fund, established
9 in section 10b of 1951 PA 51, MCL 247.660b, to the state trunk line
10 fund, established in section 11 of 1951 PA 51, MCL 247.661.

11 Sec. 664. It is the intent of the legislature that if actual
12 state-restricted revenue deposited to the Michigan transportation
13 fund exceeds the revenue estimates upon which the appropriations in
14 part 1 of this act were based, the department shall give priority
15 to reinstating delayed and deferred projects.

16 **COMPREHENSIVE TRANSPORTATION FUND**

17 Sec. 701. Money that is received by the state as a lease
18 payment for state-owned intercity bus equipment is not money to be
19 deposited in the comprehensive transportation fund under section
20 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
21 an intercity bus equipment fund for appropriation for the purchase
22 and repair of intercity bus equipment. Proceeds received by the
23 state from the sale of intercity bus equipment are deposited in an
24 intercity bus equipment fund for appropriation for the purchase and
25 repair of intercity bus equipment. Security deposits from the lease
26 of state-owned intercity bus equipment not returned to the lessee

1 of the equipment under terms of the lease agreement are deposited
2 in an intercity bus equipment fund for appropriation for the repair
3 of intercity bus equipment. At the close of the fiscal year, any
4 funds remaining in the intercity bus equipment fund shall remain in
5 the fund and be carried forward into the succeeding fiscal year.

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

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

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

1 director, and the house and senate fiscal agencies by February 15
2 of each fiscal year for the prior fiscal year.

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

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

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

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

1 Rapids US-131

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

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

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

(2) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain 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.

(3) 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.

(4) 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

1 preceding fiscal year, unless the discontinuance of service was for
2 track maintenance or was caused by acts of God.

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

8 Sec. 721. For federal transit administration bus acquisition
9 capital grants matched with CTF funds appropriated in part 1,
10 transit agencies shall have 4 years from the federal approval date
11 to carry out their projects. Contract line items unobligated 4
12 years after the federal approval date may be matched with CTF funds
13 only up to 15% in the fifth and subsequent years. "Unobligated"
14 means any line item in the contract that is not committed to a
15 third party or purchase order. A waiver shall be granted by the
16 department for an additional year with documented justification
17 from the transit agency accompanied by a resolution from the board
18 or authority seeking a waiver. If a transit agency does not carry
19 out a line item activity in a specific authorization and the
20 transit agency requests funds in a new authorization for that same
21 activity, the line item shall be matched at up to 15%. This section
22 applies only to bus acquisition capital grants. Lapsed funds under
23 this section shall remain in the CTF. This section does not take
24 effect if failure to comply with the provisions of this section by
25 a transit agency occurs due to the inability of the state to
26 provide sufficient matching funds for available federal funding
27 earmarked to that transit agency for the purpose of bus capital

1 acquisition. The department shall report to the appropriations
2 subcommittees on transportation of the senate and house of
3 representatives if the state is unable to provide sufficient
4 matching funds for this section to take effect.

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. 741. The department shall report by March 1, 2011 to the
3 house of representatives and senate appropriations subcommittees on
4 transportation, the house and senate fiscal agencies, and the state
5 budget director on progress of operations on the Ann Arbor and NW
6 Michigan railroad, particularly concerning any use of the track
7 infrastructure for the purpose of supporting a passenger train
8 speed of 59 miles per hour.

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

14 **AERONAUTICS FUND**

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

22 **CAPITAL OUTLAY**

23 Sec. 901. (1) From federal-state-local project appropriations
24 contained in part 1 for the purpose of assisting political entities
25 and subdivisions of this state in the construction and improvement

1 of publicly used airports and landing fields within this state, the
2 state transportation department may permit the award of contracts
3 on behalf of units of local government for the authorized locations
4 not to exceed the indicated amounts, of which the state allocated
5 portion shall not exceed the amount appropriated in part 1.

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

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

24 Sec. 902. Before the end of each fiscal year, the state
25 transportation department shall report to the house and senate
26 appropriations subcommittees on transportation the status of
27 airport improvement projects funded in part 1 with the estimated

1 dollars allocated for each project. If there has to be a delay in
2 reporting, the state transportation department shall notify the
3 house and senate appropriations subcommittees on transportation in
4 writing of the date the report will be received.

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

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

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