

SUBSTITUTE FOR
SENATE BILL NO. 184

A bill to make appropriations for the department of transportation for the fiscal year ending September 30, 2014; 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. There is appropriated for the department of transportation for the fiscal year ending September 30, 2014, from the following funds:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	2,912.3

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1	GROSS APPROPRIATION.....	\$ <3,493,816,700>
2	Total interdepartmental grants and intradepartmental	
3	transfers	3,625,100
4	ADJUSTED GROSS APPROPRIATION.....	\$ <3,490,191,600>
5	Federal revenues:	
6	DOT, federal transit act.....	44,710,000
7	DOT, federal aviation administration.....	78,578,000
8	DOT-FHWA, highway research, planning, and construction	1,072,497,500
9	DOT-FRA, local rail service assistance.....	100,000
10	DOT-FRA, rail passenger/HSGT.....	3,000,000
11	Total federal revenues.....	1,198,885,500
12	Special revenue funds:	
13	Local funds.....	50,177,100
14	Private revenues.....	100,000
15	Total local and private revenues.....	50,277,100
16	Blue Water Bridge fund.....	46,212,700
17	Comprehensive transportation fund.....	<<283,174,500>>
18	Economic development fund.....	42,477,500
19	Intercity bus equipment fund.....	140,000
20	IRS debt service rebate.....	7,523,400
21	Local bridge fund.....	23,787,900
22	Michigan transportation fund.....	989,713,600
23	Rail freight fund.....	2,000,000
24	State aeronautics fund.....	14,955,300
25	State trunkline fund.....	831,044,100
26	Total other state restricted revenues.....	<2,241,029,000>
27	State general fund/general purpose.....	\$ 0

1	State general fund/general purpose schedule:		
2	Ongoing state general fund/general		
3	purpose	0	
4	One-time state general fund/general		
5	purpose	0	
6	Sec. 102. DEBT SERVICE		
7	State trunkline.....	\$	199,738,200
8	Economic development.....		10,003,400
9	Local bridge fund.....		2,406,300
10	Blue Water Bridge fund.....		6,962,500
11	Airport safety and protection plan.....		3,892,200
12	Comprehensive transportation.....		<u>19,318,500</u>
13	GROSS APPROPRIATION.....	\$	242,321,100
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHWA, highway research, planning, and construction		45,912,200
17	Special revenue funds:		
18	Blue Water Bridge fund.....		6,962,500
19	Comprehensive transportation fund.....		19,318,500
20	Economic development fund.....		10,003,400
21	IRS debt service rebate.....		7,523,400
22	Local bridge fund.....		2,406,300
23	State aeronautics fund.....		3,892,200
24	State trunkline fund.....		146,302,600
25	State general fund/general purpose.....	\$	0
26	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
27	SUPPORT SERVICES		

1	MTF grant to department of environmental quality	\$	1,285,700
2	MTF grant to department of state for collection of		
3	revenue and fees		20,000,000
4	MTF grant to department of treasury		2,500,000
5	MTF grant to legislative auditor general		296,000
6	STF grant to department of attorney general		2,387,000
7	STF grant to civil service commission		5,697,000
8	STF grant to department of technology, management,		
9	and budget		1,324,200
10	STF grant to department of state police		11,258,700
11	STF grant to department of treasury		129,700
12	STF grant to legislative auditor general		687,600
13	SAF grant to department of attorney general		174,400
14	SAF grant to civil service commission		150,000
15	SAF grant to department of technology, management,		
16	and budget		40,000
17	SAF grant to department of treasury		71,600
18	SAF grant to legislative auditor general		28,300
19	CTF grant to attorney general		200,900
20	CTF grant to civil service commission		200,000
21	CTF grant to department of technology, management,		
22	and budget		46,000
23	CTF grant to department of treasury		12,200
24	CTF grant to legislative auditor general		<u>36,400</u>
25	GROSS APPROPRIATION	\$	46,525,700
26	Appropriated from:		
27	Special revenue funds:		

1	Comprehensive transportation fund.....	495,500
2	Michigan transportation fund.....	24,081,700
3	State aeronautics fund.....	464,300
4	State trunkline fund.....	21,484,200
5	State general fund/general purpose.....	\$ 0
6	Sec. 104. EXECUTIVE DIRECTION	
7	Full-time equated unclassified positions.....	6.0
8	Full-time equated classified positions.....	29.3
9	Unclassified salaries.....	\$ 707,000
10	Asset management council.....	1,626,400
11	Commission audit--29.3 FTE positions.....	<u>3,298,200</u>
12	GROSS APPROPRIATION.....	\$ 5,631,600
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	Special revenue funds:	
16	Michigan transportation fund.....	1,626,400
17	State trunkline fund.....	4,005,200
18	State general fund/general purpose.....	\$ 0
19	Sec. 105. BUSINESS SUPPORT	
20	Full-time equated classified positions.....	76.5
21	Business support services--67.5 FTE positions.....	\$ 9,427,700
22	Economic development and enhancement programs--9.0	
23	FTE positions	1,426,200
24	Property management.....	8,068,700
25	Worker's compensation.....	<u>2,013,000</u>
26	GROSS APPROPRIATION.....	\$ 20,935,600
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	Special revenue funds:	
3	Comprehensive transportation fund.....	1,369,700
4	Economic development fund.....	378,700
5	Michigan transportation fund.....	760,500
6	State aeronautics fund.....	625,400
7	State trunkline fund.....	17,801,300
8	State general fund/general purpose.....	\$ 0
9	Sec. 106. INFORMATION TECHNOLOGY	
10	Information technology services and projects.....	\$ <u>31,119,700</u>
11	GROSS APPROPRIATION.....	\$ 31,119,700
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	Federal revenues:	
15	DOT-FHWA, highway research, planning, and construction	520,500
16	Special revenue funds:	
17	Blue Water Bridge fund.....	53,100
18	Comprehensive transportation fund.....	215,600
19	Economic development fund.....	37,200
20	Michigan transportation fund.....	284,700
21	State aeronautics fund.....	168,300
22	State trunkline fund.....	29,840,300
23	State general fund/general purpose.....	\$ 0
24	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
25	Full-time equated classified positions.....	186.0
26	Finance, contracts, and support services--186.0 FTE	
27	positions	\$ <u>20,896,100</u>

1	GROSS APPROPRIATION.....	\$	20,896,100
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG for accounting service center user charges		3,625,100
5	Special revenue funds:		
6	Michigan transportation fund.....		1,677,000
7	State trunkline fund.....		15,594,000
8	State general fund/general purpose	\$	0
9	Sec. 108. TRANSPORTATION PLANNING		
10	Full-time equated classified positions.....	141.0	
11	Transportation planning--141.0 FTE positions	\$	37,794,600
12	Grants to regional planning councils		<u>488,800</u>
13	GROSS APPROPRIATION.....	\$	38,283,400
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	Federal revenues:		
17	DOT-FHWA, highway research, planning, and construction		20,000,000
18	Special revenue funds:		
19	Comprehensive transportation fund.....		610,500
20	Michigan transportation fund.....		6,941,300
21	State aeronautics fund.....		15,000
22	State trunkline fund.....		10,716,600
23	State general fund/general purpose	\$	0
24	Sec. 109. DESIGN AND ENGINEERING SERVICES		
25	Full-time equated classified positions.....	1,500.8	
26	Engineering services--701.1 FTE positions	\$	69,781,400
27	Program services--737.7 FTE positions		59,563,000

1	Intelligent transportation systems operations--12.0	
2	FTE positions	10,712,900
3	Welcome center operations--50.0 FTE positions	<u>4,403,900</u>
4	GROSS APPROPRIATION.....	\$ 144,461,200
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	Federal revenues:	
8	DOT-FHWA, highway research, planning, and construction	23,529,800
9	Special revenue funds:	
10	Michigan transportation fund.....	8,216,800
11	State trunkline fund.....	112,714,600
12	State general fund/general purpose.....	\$ 0
13	Sec. 110. HIGHWAY MAINTENANCE	
14	Full-time equated classified positions..... 808.7	
15	State trunkline operations--808.7 FTE positions	\$ <u>275,689,500</u>
16	GROSS APPROPRIATION.....	\$ 275,689,500
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	Special revenue funds:	
20	State trunkline fund.....	275,689,500
21	State general fund/general purpose.....	\$ 0
22	Sec. 111. ROAD AND BRIDGE PROGRAMS	
23	State trunkline federal aid and road and bridge	
24	construction	\$ 998,193,500
25	Local federal aid and road and bridge construction...	240,443,000
26	Grants to local programs.....	33,000,000
27	Rail grade crossing.....	3,000,000

1	Local bridge program.....	21,381,600
2	County road commissions.....	583,032,000
3	Cities and villages.....	<u>325,066,400</u>
4	GROSS APPROPRIATION.....	\$ 2,204,116,500
5	Appropriated from:	
6	Federal revenues:	
7	DOT-FHWA, highway research, planning, and construction	982,535,000
8	Special revenue funds:	
9	Local funds.....	30,000,000
10	Blue Water Bridge fund.....	32,907,300
11	Local bridge fund.....	21,381,600
12	Michigan transportation fund.....	944,098,400
13	State trunkline fund.....	193,194,200
14	State general fund/general purpose.....	\$ 0
15	Sec. 112. BLUE WATER BRIDGE	
16	Full-time equated classified positions.....	41.0
17	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>6,289,800</u>
18	GROSS APPROPRIATION.....	\$ 6,289,800
19	Appropriated from:	
20	Special revenue funds:	
21	Blue Water Bridge fund.....	6,289,800
22	State general fund/general purpose.....	\$ 0
23	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
24	Forest roads.....	\$ 5,000,000
25	Rural county urban system.....	2,500,000
26	Target industries/economic redevelopment.....	8,029,000
27	Urban county congestion.....	8,264,600

1	Rural county primary.....		<u>8,264,600</u>
2	GROSS APPROPRIATION.....	\$	32,058,200
3	Appropriated from:		
4	Special revenue funds:		
5	Economic development fund.....		32,058,200
6	State general fund/general purpose.....	\$	0
7	Sec. 114. AERONAUTICS AND FREIGHT SERVICES		
8	Full-time equated classified positions.....	54.0	
9	Aeronautics services--54.0 FTE positions.....	\$	7,354,700
10	Air service program.....		<u>301,200</u>
11	GROSS APPROPRIATION.....	\$	7,655,900
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	Special revenue funds:		
15	State aeronautics fund.....		7,655,900
16	State general fund/general purpose.....	\$	0
17	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
18	Full-time equated classified positions.....	36.0	
19	Passenger transportation services--36.0 FTE positions	\$	<u>5,662,800</u>
20	GROSS APPROPRIATION.....	\$	5,662,800
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	Federal revenues:		
24	DOT, federal transit act.....		972,100
25	Special revenue funds:		
26	Comprehensive transportation fund.....		4,651,800
27	Michigan transportation fund.....		38,900

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1	State general fund/general purpose	\$	0
2	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
3	Local bus operating	\$	166,624,000
4	Nonurban operating/capital		25,187,900
5	Discretionary state operating		<u>5,400,000</u>
6	GROSS APPROPRIATION	\$	197,211,900
7	Appropriated from:		
8	Federal revenues:		
9	DOT, federal transit act		23,187,900
10	Special revenue funds:		
11	Local funds		2,000,000
12	Comprehensive transportation fund		172,024,000
13	State general fund/general purpose	\$	0
14	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
15	Full-time equated classified positions		39.0
16	Office of rail--39.0 FTE positions	\$	6,293,700
17	Freight property management		1,000,000
18	Detroit/Wayne County port authority		468,200
19	Intercity services		5,940,000
20	Rail operations and infrastructure		27,592,000
21	<<Rail passenger service/Wolverine line		19,333,000>>
21	Marine passenger services		400,000
22	Terminal development		<u>461,000</u>
23	GROSS APPROPRIATION	\$	<<61,487,900>>
24	Appropriated from:		
25	Federal revenues:		
26	DOT, federal transit act		4,500,000
27	DOT-FRA, local rail service assistance		100,000

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1	DOT-FRA, rail passenger/HSGT.....	3,000,000
2	Special revenue funds:	
3	Local funds.....	150,000
4	Private funds.....	100,000
5	Comprehensive transportation fund.....	<<48,809,900>>
6	Intercity bus equipment fund.....	140,000
7	Rail freight fund.....	2,000,000
8	Michigan transportation fund.....	1,987,900
9	State trunkline fund.....	700,100
10	State general fund/general purpose.....	\$ 0
11	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
12	Specialized services.....	\$ 18,028,800
13	Transit capital.....	32,145,300
14	Van pooling.....	807,000
15	Service initiatives.....	1,682,900
16	Transportation to work.....	<u>4,700,000</u>
17	GROSS APPROPRIATION.....	\$ 57,364,000
18	Appropriated from:	
19	Federal revenues:	
20	DOT, federal transit act.....	16,050,000
21	Special revenue funds:	
22	Local funds.....	5,635,000
23	Comprehensive transportation fund.....	35,679,000
24	State general fund/general purpose.....	\$ 0
25	Sec. 119. CAPITAL OUTLAY	
26	(1) BUILDINGS AND FACILITIES	
27	Miscellaneous special maintenance, remodeling, and	

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1	additions	\$	<u>3,001,500</u>
2	GROSS APPROPRIATION.....	\$	3,001,500
3	Appropriated from:		
4	Special revenue funds:		
5	State trunkline fund.....		3,001,500
6	State general fund/general purpose.....	\$	0
7	(2) AIRPORT IMPROVEMENT PROGRAMS		
8	Airport safety, protection, and improvement program..	\$	<u>93,104,300</u>
9	GROSS APPROPRIATION.....	\$	93,104,300
10	Appropriated from:		
11	Federal revenues:		
12	DOT, federal aviation administration.....		78,578,000
13	Special revenue funds:		
14	Local funds.....		12,392,100
15	State aeronautics fund.....		2,134,200
16	State general fund/general purpose.....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2013-2014

GENERAL SECTIONS

21 Sec. 201. Pursuant to section 30 of article IX of the state
 22 constitution of 1963, total state spending from state resources
 23 under part 1 for fiscal year 2013-2014 is <<\$2,241,029,000.00>> and
 24 state spending from state resources to be paid to local units of
 25 government for fiscal year 2013-2014 is \$1,208,687,600.00. The

itemized statement below identifies appropriations from which
 spending to local units of 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.....		21,381,600
Grants to county road commissions.....		583,032,000
Grants to cities and villages.....		325,066,400
Economic development fund.....		32,058,200
Air service program.....		301,200
Local bus operating.....		166,624,000
Discretionary state operating.....		5,400,000
Detroit/Wayne County port authority.....		468,200
Marine passenger service.....		400,000
Terminal development.....		461,000
Specialized services.....		3,943,800
Municipal credit program.....		0
Transit capital.....		25,895,300
Service initiatives.....		332,900
Transportation to work.....		4,700,000
Airport safety, protection, and improvement program.....		<u>2,134,200</u>
Total payments to local units of government.....	\$	1,208,687,600

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

1 Sec. 203. As used in this act:

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

4 (b) "ASTM" means the American society for testing and
5 materials.

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

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

8 (e) "DOT" means the United States department of
9 transportation.

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

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

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

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

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

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

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

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

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

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

21 Sec. 206. (1) In addition to the funds appropriated in part 1,
22 there is appropriated an amount not to exceed \$200,000,000.00 for
23 federal contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line item
25 in part 1 pursuant to section 393(2) of the management and budget
26 act, 1984 PA 431, MCL 18.1393.

27 (2) In addition to the funds appropriated in part 1, there is

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

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

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

18 Sec. 207. The department shall cooperate with the department
19 of technology, management, and budget to maintain a searchable
20 website accessible by the public at no cost that includes, but is
21 not limited to, all of the following:

22 (a) Fiscal year-to-date expenditures by category.

23 (b) Fiscal year-to-date expenditures by appropriation unit.

24 (c) Fiscal year-to-date payments to a selected vendor,
25 including the vendor name, payment date, payment amount, and
26 payment description.

27 (d) The number of active department employees by job

1 classification.

2 (e) Job specifications and wage rates.

3 Sec. 209. Funds appropriated in part 1 shall not be used for
4 the purchase of foreign goods or services, or both, if
5 competitively priced and of comparable quality American goods or
6 services, or both, are available. Preference shall be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses, if they are competitively priced and of comparable
9 quality. In addition, preference shall be given to goods or
10 services, or both, that are manufactured or provided by Michigan
11 businesses owned and operated by veterans, if they are
12 competitively priced and of comparable quality.

13 Sec. 215. A department shall not take disciplinary action
14 against an employee for communicating with a member of the
15 legislature or his or her staff.

16 Sec. 228. Not later than November 15, the department shall
17 prepare and transmit a report that provides for estimates of the
18 total general fund/general purpose appropriation lapses at the
19 close of the fiscal year. This report shall summarize the projected
20 year-end general fund/general purpose appropriation lapses by major
21 departmental program or program areas. The report shall be
22 transmitted to the office of the state budget, the chairpersons of
23 the senate and house of representatives standing committees on
24 appropriations, and the senate and house fiscal agencies.

25 Sec. 229. Within 14 days after the release of the executive
26 budget recommendation, the department shall provide the state
27 budget director, the senate and house appropriations chairs, the

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1 senate and house appropriations subcommittees on transportation,
2 respectively, and the senate and house fiscal agencies with an
3 annual report on estimated state restricted fund balances, state
4 restricted fund projected revenues, and state restricted fund
5 expenditures for the fiscal year ending September 30, 2013.

<<Sec. 233. Not later than April 1, the department shall
prepare and transmit a report that provides detail regarding the
department's expenditures for administration and planning associated
with local units of government. The report shall list the portion
of all the expenditures from part 1 that are allocated for
administration and planning that are associated with the
disbursement of all local funds. The report shall be transmitted
to the office of the state budget, the senate and house
appropriations chairs, the senate and house appropriations
subcommittees on transportation, respectively, and the senate
and house fiscal agencies.>>

6 Sec. 235. The department shall maintain, on a publicly
7 accessible website, a department scorecard that identifies, tracks,
8 and regularly updates key metrics that are used to monitor and
9 improve the agency's performance.

10 Sec. 260. The departments and agencies receiving
11 appropriations in part 1 shall prepare a report on out-of-state
12 travel expenses not later than January 1 of each year. The travel
13 report shall be a listing of all travel by classified and
14 unclassified employees outside this state in the immediately
15 preceding fiscal year that was funded in whole or in part with
16 funds appropriated in the department's budget. The report shall be
17 submitted to the senate and house appropriations committees, the
18 house and senate fiscal agencies, and the state budget director.
19 The report shall include the following information:

20 (a) The dates of each travel occurrence.

21 (b) The transportation and related costs of each travel
22 occurrence, including the proportion funded with state general
23 fund/general purpose revenues, the proportion funded with state
24 restricted revenues, the proportion funded with federal revenues,
25 and the proportion funded with other revenues.

26 Sec. 262. Funds appropriated in part 1 shall not be used by a
27 principal executive department, state agency, or authority to hire

1 a person to provide legal services that are the responsibility of
2 the attorney general. This prohibition does not apply to legal
3 services for bonding activities and for those activities that the
4 attorney general authorizes.

5 Sec. 263. (1) The department shall report no later than April
6 1, 2014 on each specific policy change made to implement a public
7 act affecting the department that took effect during the prior
8 calendar year to the house and senate appropriations subcommittees
9 on the budget for the department, the joint committee on
10 administrative rules, and the senate and house fiscal agencies.

11 (2) Funds appropriated in part 1 shall not be used by the
12 department to adopt a rule that will apply to a small business and
13 that will have a disproportionate economic impact on small
14 businesses because of the size of those businesses if the
15 department fails to reduce the disproportionate economic impact of
16 the rule on small businesses as provided under section 40 of the
17 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

18 (3) As used in this section:

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

21 (b) "Small business" means that term as defined under section
22 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
23 24.207a.

24 Sec. 270. In order to reduce costs and maintain quality, it is
25 the intent of the legislature that, excluding the fleet of motor
26 vehicles for the department of state police, the department will
27 prioritize the utilization of remanufactured parts as the primary

1 means of maintenance and repair for the state of Michigan's fleet
2 of motor vehicles.

3 **DEPARTMENTAL SECTIONS**

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

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

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

26 Sec. 304. If, as a requirement of bidding on a highway

1 project, the department requires a contractor to submit financial
2 or proprietary documentation as to how the bid was calculated, that
3 bid documentation shall be kept confidential and shall not be
4 disclosed other than to a department representative without the
5 contractor's written consent. The department may disclose the bid
6 documentation if necessary to address or defend a claim by a
7 contractor.

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

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

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

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

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

1 (2) Not later than 2 months after publication of the state of
2 Michigan comprehensive annual financial report, each state
3 department receiving funding pursuant to an interdepartment
4 contract with the department shall submit a written report to the
5 department, the state budget director, and the house and senate
6 fiscal agencies stating by spending authorization account the
7 amount of estimated funds contracted with the department, the
8 amount of funds expended, the amount of funds returned to the
9 transportation funds, and any unreimbursed transportation-related
10 costs incurred but not billed to transportation funds. A copy of
11 the report shall be submitted to the auditor general, and the
12 report shall be subject to audit by the auditor general as provided
13 in subsection (3).

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

1 state of Michigan comprehensive annual financial report.

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

8 Sec. 308. (1) The department and local road agencies that
9 receive appropriations under this act shall pursue compliance with
10 contract specifications for construction and maintenance of state
11 highways and local roads and streets. Work shall not be accepted
12 and paid for until it complies with contract requirements.
13 Contractors with unsatisfactory performance ratings shall be
14 restricted from future bidding through the prequalification process
15 established by the department or a local road agency. The
16 department, county road commissions, and cities and villages shall
17 report to the house of representatives and senate appropriations
18 subcommittees on transportation, the senate and house fiscal
19 agencies, and the state budget director on their respective
20 activities under this section.

21 (2) A contractor's prequalification rating shall not be
22 reduced or restricted until all administrative appeals have been
23 completed. The department can take immediate action regarding a
24 contractor's prequalification rating for public safety reasons or
25 to prevent fraud and malfeasance of public funds.

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

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

27 Sec. 357. When presented with complete local federal aid

1 project submittals, the department shall complete all necessary
2 reviews and inspections required to let local federal aid projects
3 within 120 days of receipt. The department shall implement a system
4 for monitoring the local federal aid project review process.

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

10 Sec. 381. The department shall require as a condition of each
11 contract or subcontract for construction, maintenance, or
12 engineering services that the prequalified contractor or
13 prequalified subcontractor agree to use the E-Verify system to
14 verify that all persons hired during the contract term by the
15 contractor or subcontractor are legally present and authorized to
16 work in the United States. The department may verify this
17 information directly or may require contractors and subcontractors
18 to verify the information and submit a certification to the
19 department. The department shall report to the house and senate
20 appropriations committees and the house and senate fiscal agencies
21 by March 1, 2014 describing the processes it has developed and
22 implemented under provisions of this section. As used in this
23 section, "E-Verify" means an Internet-based system operated by the
24 department of homeland security, U.S. citizenship and immigration
25 services in partnership with the social security administration.

26 Sec. 384. (1) The department shall not expend any state
27 transportation revenue for construction planning or construction of

1 the Detroit River International Crossing or a renamed successor. In
2 addition, except as provided in subsection (3), the department
3 shall not commit the state to any new contract related to the
4 construction planning or construction of the Detroit River
5 International Crossing or a renamed successor unless the
6 legislature has enacted specific enabling legislation to allow for
7 the construction of the Detroit River International Crossing or a
8 renamed successor, and the department has completed the Gateway
9 project.

10 (2) On or before March 31, 2014, the department shall report
11 to the state budget director, the house and senate appropriations
12 subcommittees on transportation, and the house and senate fiscal
13 agencies on department activities related to the Detroit River
14 International Crossing or a renamed successor.

15 (3) If the legislature enacts specific enabling legislation
16 for the construction of the Detroit River International Crossing or
17 a renamed successor, subsection (1) does not apply once the
18 enabling legislation goes into effect.

19 **FEDERAL**

20 Sec. 401. Within 30 days of receiving the applicable fiscal
21 year authorization from the federal government to commit
22 transportation funds, the department shall notify local agency
23 representatives, the senate and house of representatives
24 appropriations transportation subcommittees, the senate and house
25 fiscal agencies, and the state budget director regarding the amount
26 of federal aid for categorical allocations to state and local

1 agency programs not specifically allocated in either federal or
2 state law.

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

15 **MICHIGAN TRANSPORTATION FUND**

16 Sec. 501. The money received under the motor carrier act, 1933
17 PA 254, MCL 475.1 to 479.43, and not appropriated to the department
18 of licensing and regulatory affairs or the department of state
19 police is deposited in the Michigan transportation fund.

20 Sec. 503. (1) The funds appropriated in part 1 for the
21 economic development and local bridge programs shall not lapse at
22 the end of the fiscal year but shall carry forward each fiscal year
23 for the purposes for which appropriated in accordance with 1987 PA
24 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
25 247.660.

26 (2) Interest earned in the department of transportation

1 economic development fund and local bridge fund shall remain in the
2 respective funds and shall be allocated to the respective programs
3 based on actual interest earned at the end of each fiscal year.

4 (3) In addition to the funds appropriated in part 1, the
5 department of transportation economic development fund and local
6 bridge fund may receive federal, local, or private funds or
7 restricted source funds such as interest earnings. These funds are
8 appropriated for projects that are consistent with the purposes of
9 the respective funds.

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

13 Sec. 504. Funds from the Michigan transportation fund (MTF)
14 shall be distributed to the comprehensive transportation fund
15 (CTF), the economic development fund (EDF), the recreation
16 improvement fund (RIF), and the state trunkline fund (STF), in
17 accordance with this act and part 711 of the natural resources and
18 environmental protection act, 1994 PA 451, MCL 324.71101 to
19 324.71108, and may only be used as specified in this act, 1951 PA
20 51, MCL 247.651 to 247.675, and part 711 of the natural resources
21 and environmental protection act, 1994 PA 451, MCL 324.71101 to
22 324.71108.

23 STATE TRUNKLINE FUND

24 Sec. 601. The department shall work with the road construction
25 industry and engineering consulting community to develop
26 performance and road construction warranties for construction

1 contracts. The development of warranties shall include warranties
2 on materials, workmanship, performance criteria, and design/build
3 projects. The department will report by September 30 of each
4 calendar year to the house of representatives and senate
5 appropriations subcommittees on transportation, the state budget
6 director, and the house and senate fiscal agencies on the status of
7 efforts to develop performance and road construction warranties.

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

22 Sec. 610. The department shall have as a priority the removal
23 of dead deer and other large animal remains from the traveled
24 portion and shoulder of state highways. The department, and
25 counties that perform state highway maintenance under contract,
26 shall remove animal remains, wherever practicable and when funds
27 are available, away from the traveled portion and shoulder of state

1 highways.

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

16 Sec. 661. Of the appropriation from the state trunkline fund
17 in part 1 for state trunkline federal aid and road and bridge
18 construction, \$130,000,000.00 represents estimated revenue from
19 passage of Senate Bill No. 6 of the 2013-2014 legislative session
20 and is intended to ensure that the state is able to match all
21 available federal-aid highway funds.

22 **COMPREHENSIVE TRANSPORTATION FUND**

23 Sec. 701. The department shall establish an intercity bus
24 equipment and facility fund as a subsidiary fund within the
25 comprehensive transportation fund created under section 10b of 1951
26 PA 51, MCL 247.660b. Proceeds received by this state from the sale

1 of state-owned intercity bus equipment shall be credited to the
2 intercity bus equipment facility fund for the purchase and repair
3 of intercity bus equipment, as appropriated. Security deposits not
4 returned to a lessee of state-owned intercity bus equipment under
5 terms of the lease agreement shall be credited to the intercity bus
6 equipment fund for the repair of intercity bus equipment, as
7 appropriated. Money received by the department from lease payments
8 for state-owned intercity bus equipment, and facility maintenance
9 charges under terms of leases of state-owned intercity facilities,
10 shall be credited to the intercity bus equipment facility fund for
11 the purchase and repair of intercity bus equipment or for the
12 maintenance and rehabilitation of state-owned intercity facilities,
13 as appropriated. At the close of the fiscal year, any funds
14 remaining in the intercity bus equipment facility fund shall remain
15 in the fund and be carried forward into the succeeding fiscal year.

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

24 Sec. 703. After receiving notification from a railroad company
25 pursuant to section 8 of the state transportation preservation act
26 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
27 notify the house of representatives and senate appropriations

1 subcommittees on transportation and the state budget office that
2 the railroad company has filed with the appropriate governmental
3 agencies for abandonment of a line.

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

13 Sec. 735. For the fiscal year ending September 30, 2014, the
14 appropriation to a street railway pursuant to section 10e(22) of
15 1951 PA 51, MCL 247.660e, is \$0.

16 Sec. 736. From the funds appropriated in part 1 for rail
17 operations and infrastructure, \$3,000,000.00 shall be allocated for
18 a pilot project to test traffic control devices at rail grade
19 crossings on railroad tracks that are federally designated as a
20 high-speed rail corridor under 49 USC 26106. Any pilot project
21 entered into under this section shall be done using a competitive
22 bidding process.

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

1 **AERONAUTICS FUND**

2 Sec. 801. Except as otherwise provided in section 903 for
3 capital outlay, at the close of the fiscal year, any unobligated
4 and unexpended balance in the state aeronautics fund created in the
5 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
6 to 259.208, shall lapse to the state aeronautics fund and be
7 appropriated by the legislature in the immediately succeeding
8 fiscal year.

9 **CAPITAL OUTLAY**

10 Sec. 901. (1) From federal-state-local project appropriations
11 contained in part 1 for the purpose of assisting political entities
12 and subdivisions of this state in the construction and improvement
13 of publicly used airports and landing fields within this state, the
14 state transportation department may permit the award of contracts
15 on behalf of units of local government for the authorized locations
16 not to exceed the indicated amounts, of which the state allocated
17 portion shall not exceed the amount appropriated in part 1.

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

25 (3) The Michigan aeronautics commission may take those steps

1 necessary to match federal money available for airport construction
2 and improvement within this state and to meet the matching
3 requirements of the federal government. Whether acting alone or
4 jointly with another political subdivision or public agency or with
5 this state, a political subdivision or public agency of this state
6 shall not submit to any agency of the federal government a project
7 application for airport planning or development unless it is
8 authorized in this act and the project application is approved by
9 the governing body of each political subdivision or public agency
10 making the application and by the Michigan aeronautics commission.

11 Sec. 902. Before the end of each fiscal year, the state
12 transportation department shall report to the house and senate
13 appropriations subcommittees on transportation and the house and
14 senate fiscal agencies on the status of airport improvement
15 projects funded in part 1 with the estimated dollars allocated for
16 each project. If there has to be a delay in reporting, the state
17 transportation department shall notify the house and senate
18 appropriations subcommittees on transportation in writing of the
19 date the report will be received.

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

24 PART 2A

25 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2014-2015

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2015 for the line items listed in part 1. The fiscal year 2014-2015 appropriations are anticipated to be the same as those for fiscal year 2013-2014, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2014 consensus revenue estimating conference.

Sec. 1202. It is the intent of the legislature that the department identify the amounts for normal retirement costs and legacy retirement costs for the fiscal year ending on September 30, 2015 for the line items listed in part 1.