

**SUBSTITUTE FOR
SENATE BILL NO. 220**

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line

fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending sections 11 and 11c (MCL 247.661 and 247.661c), section 11 as amended by 2002 PA 639 and section 11c as amended by 2002 PA 498.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) A fund to be known as the state trunk line fund
2 is established ~~and shall be set up and maintained~~ in the state
3 treasury as a separate fund. The money deposited in the state trunk
4 line fund is appropriated to the ~~state transportation~~ department
5 for the following purposes in the following order of priority:

6 (a) For the payment, but only from money restricted as to use
7 by section 9 of article IX of the state constitution of 1963, of
8 bonds, notes, or other obligations in the following order of
9 priority:

10 (i) For the payment of contributions **PLEGGED BEFORE JULY 18,**
11 **1979 AND** required to be made by the state highway commission or the
12 state transportation commission under contracts entered into before
13 July 18, 1979, under 1941 PA 205, MCL 252.51 to 252.64, ~~which~~
14 ~~contributions have been pledged before July 18, 1979, for the~~

1 payment of the principal and interest on bonds issued under 1941 PA
2 205, MCL 252.51 to 252.64, for the payment of which a sufficient
3 sum is irrevocably appropriated.

4 (ii) For the payment of the principal and interest upon bonds
5 designated "State of Michigan, State Highway Commissioner, Highway
6 Construction Bonds, Series I", dated September 1, 1956, in the
7 aggregate principal amount of \$25,000,000.00, issued pursuant to
8 former 1955 PA 87 and the resolution of the state administrative
9 board adopted August 6, 1956, for the payment of which a sufficient
10 sum is irrevocably appropriated.

11 (iii) For the payment of the principal and interest on bonds
12 issued under section 18b for transportation purposes other than
13 comprehensive transportation purposes as defined by law and the
14 payment of contributions ~~of~~ **PLEGDED TO THE PAYMENT OF PRINCIPAL AND**
15 **INTEREST ON BONDS ISSUED UNDER SECTION 18D AND CONTRACTS ENTERED**
16 **INTO UNDER SECTION 18D BY** the state highway commission or state
17 transportation commission to be made pursuant to contracts entered
18 into under section 18d. ~~, which contributions are pledged to the~~
19 ~~payment of principal and interest on bonds issued under the~~
20 ~~authorization of section 18d and contracts executed pursuant to~~
21 ~~that section.~~ A sufficient portion of the fund is irrevocably
22 appropriated to pay, when due, the principal and interest on bonds
23 or notes issued under section 18b for purposes other than
24 comprehensive transportation purposes as defined by law, and to pay
25 the annual contributions of the state highway commission and the
26 state transportation commission as are pledged for the payment of
27 bonds issued ~~pursuant to~~ **UNDER** contracts authorized by section 18d.

1 (b) For the transfer of ~~unds-MONEY~~ appropriated pursuant to
 2 **UNDER** section ~~10(1)(g)~~ **10(1)(H)** to the transportation economic
 3 development fund, but the transfer shall be reduced each fiscal
 4 year by the amount of debt service to be paid in that year from the
 5 state trunk line fund for bonds, notes, or other obligations issued
 6 to fund projects of the transportation economic development fund,
 7 which amount shall be certified by the department.

8 (c) For the transfer of ~~unds-MONEY~~ appropriated pursuant to
 9 **UNDER** section 10(1)(a) to the ~~railroad~~ **RAIL** grade crossing account
 10 in the state trunk line fund for expenditure for rail grade
 11 crossing improvement purposes at rail grade crossings on public
 12 roads and streets under the jurisdiction of ~~the~~ **THIS** state,
 13 counties, cities, or villages. ~~Projects~~ **THE DEPARTMENT** shall be
 14 ~~selected~~ **SELECT PROJECTS** for funding in accordance with the
 15 following:

16 (i) Not more than 50% or less than 30% of ~~these funds~~ **THIS**
 17 **MONEY** and matched federal ~~unds-MONEY~~ shall be expended for state
 18 trunk line projects.

19 (ii) In prioritizing projects for ~~these funds~~, **THIS MONEY**, in
 20 whole or in part, the department shall consider train and vehicular
 21 traffic volumes, accident history, traffic control device
 22 improvement needs, and the availability of funding.

23 (iii) Consistent with the other requirements for ~~these funds~~,
 24 **THIS MONEY**, the first priority for ~~unds-MONEY~~ deposited pursuant
 25 ~~to~~ **UNDER** this subdivision for rail grade crossing improvements and
 26 retirement shall be to match federal ~~unds-MONEY~~ from the railroad-
 27 highway grade crossing improvement program or other comparable

1 federal programs if a match is required under federal law.

2 (iv) If the department and ~~the~~**A** road authority with
3 jurisdiction over the crossing formally agree that the grade
4 crossing should be eliminated by permanent closing of the public
5 road or street, the physical removal of the crossing, roadway
6 within railroad rights of way and street termination treatment ~~will~~
7 **SHALL** be negotiated between the road authority and railroad
8 company. The ~~funds~~**MONEY** provided to the road authority as a result
9 of the crossing closure ~~will~~**SHALL** be credited to its account
10 representing the same road or street system on which the crossing
11 is located and shall be used for any transportation purpose within
12 that road authority's jurisdiction.

13 (d) For the total operating expenses of the state trunk line
14 fund for each fiscal year as appropriated by the legislature.

15 (e) For the preservation of state trunk line highways and
16 bridges.

17 (f) For the opening, widening, improving, construction, and
18 reconstruction of state trunk line highways and bridges, including
19 the acquisition of necessary rights of way and the work incidental
20 to that opening, widening, improving, construction, or
21 reconstruction. Those sums in the state trunk line fund not
22 otherwise appropriated, distributed, determined, or set aside by
23 law shall be used for the construction or reconstruction of the
24 national system of interstate and defense highways, referred to in
25 this act as "the interstate highway system" to the extent necessary
26 to match federal aid ~~funds~~**MONEY** as the federal aid ~~funds~~**become**
27 **MONEY BECOMES** available for that purpose; and, for the construction

1 and reconstruction of the state trunk line system.

2 (g) The ~~state transportation department~~ may enter into
3 agreements with ~~county road commissions and with cities and~~
4 ~~villages~~ **A LOCAL ROAD AGENCY OR A PRIVATE SECTOR COMPANY** to perform
5 work on a highway, road, or street. The agreements may provide for
6 the performance by any of the contracting parties of any of the
7 work contemplated by the contract including **MAINTENANCE,**
8 engineering services, and the acquisition of rights of way in
9 connection with the work, by purchase or condemnation by any of the
10 contracting parties in its own name, and for joint participation in
11 the costs, but only to the extent that the contracting parties are
12 otherwise authorized by law to expend money on the highways, roads,
13 or streets. The ~~state transportation department~~ also may contract
14 with a ~~county~~ **LOCAL** road ~~commission, city, and village~~ **AGENCY** to
15 advance money to a ~~county~~ **LOCAL** road ~~commission, city, and village~~
16 **AGENCY** to pay ~~their~~ **THE** costs of improving railroad grade crossings
17 on the terms and conditions agreed to in the contract. A contract
18 may be executed before or after the state transportation commission
19 borrows money for the purpose of advancing money to a ~~county~~ **LOCAL**
20 road ~~commission, city, or village,~~ **AGENCY,** but the contract shall
21 be executed before the advancement of any money to a ~~county~~ **LOCAL**
22 road ~~commission, city, or village~~ **AGENCY** by the state
23 transportation commission, and shall provide for the full
24 reimbursement of any advancement by a ~~county~~ **LOCAL** road ~~commission,~~
25 ~~city, or village~~ **AGENCY** to the ~~state transportation department,~~
26 with interest, within 15 years after advancement, from any
27 available revenue sources of the ~~county~~ **LOCAL** road ~~commission,~~

1 ~~city, or village~~ **AGENCY** or, if provided in the contract, by
2 deduction from the periodic disbursements of any money returned by
3 the state to the ~~county~~ **LOCAL** road ~~commission, city, or~~
4 ~~village~~ **AGENCY**. **WHEN ENTERING INTO A CONTRACT UNDER THIS**
5 **SUBDIVISION OR UNDER SECTION 11C, THE DEPARTMENT SHALL SOLICIT BIDS**
6 **FROM A LOCAL ROAD AGENCY FOR WORK TO BE PERFORMED ON A STATE TRUNK**
7 **LINE HIGHWAY WITHIN THAT LOCAL ROAD AGENCY'S JURISDICTION.**

8 (h) For providing inventories of supplies and materials
9 required for the activities of the ~~state transportation~~ department.
10 The ~~state transportation~~ department may purchase supplies and
11 materials for these purposes, with payment to be made out of the
12 state trunk line fund to be charged on the basis of issues from
13 inventory in accordance with the accounting and purchasing laws of
14 this state.

15 (2) Notwithstanding any other provision of this act, **THE**
16 **DEPARTMENT SHALL ANNUALLY EXPEND** at least 90% of state revenue
17 appropriated annually to the state trunk line fund less the amounts
18 described in subdivisions (a) to (i) ~~shall be expended annually by~~
19 ~~the state transportation department~~ for the preservation of
20 highways, roads, streets, and bridges and for the payment of debt
21 service on bonds, notes, or other obligations described in
22 subsection (1)(a) issued after July 1, 1983, for the purpose of
23 providing ~~funds~~ **MONEY** for the preservation of highways, roads,
24 streets, and bridges. Of the amounts appropriated for state trunk
25 line projects, the department shall, where possible, secure
26 **PAVEMENT** warranties ~~of not less than 5 year~~ **FOR** full replacement **OR**
27 **APPROPRIATE REPAIR** guarantee for contracted construction work **ON**

1 PAVEMENT PROJECTS WHOSE COST EXCEEDS \$1,000,000.00 AND PROJECTS FOR
2 NEW CONSTRUCTION OR RECONSTRUCTION UNDERTAKEN AFTER THE EFFECTIVE
3 DATE OF THE 2014 AMENDATORY ACT THAT AMENDED THIS SUBSECTION. THE
4 DEPARTMENT SHALL COMPILE AND MAKE AVAILABLE TO THE PUBLIC AN ANNUAL
5 REPORT OF ALL WARRANTIES THAT WERE SECURED UNDER THIS SUBSECTION
6 AND ALL PAVEMENT PROJECTS WHOSE COSTS EXCEED \$1,000,000.00 WHERE A
7 WARRANTY WAS NOT SECURED AS PROVIDED IN SUBSECTION (14). If an
8 appropriate certificate is filed under section 18e but only to the
9 extent necessary, this subsection ~~shall~~**DOES** not prohibit the use
10 of any amount of money restricted as to use by section 9 of article
11 IX of the state constitution of 1963 and deposited in the state
12 trunk line fund for the payment of debt service on bonds, notes, or
13 other obligations pledging for the payment thereof money restricted
14 as to use by section 9 of article IX of the state constitution of
15 1963 and deposited in the state trunk line fund, whenever issued,
16 as specified under subsection (1)(a). The amounts ~~which~~**THAT** are
17 deducted from the state trunk line fund for the purpose of the
18 calculation required by this subsection are as follows:

19 (a) Amounts expended for the purposes described in subsection
20 (1)(a) for the payment of debt service on bonds, notes, or other
21 obligations issued before July 2, 1983.

22 (b) Amounts expended to provide the state matching requirement
23 for projects on the national highway system and for the payment of
24 debt service on bonds, notes, or other obligations issued after
25 July 1, 1983, for the purpose of providing ~~funds~~**MONEY** for the
26 state matching requirements for projects on the national highway
27 system.

1 (c) Amounts expended for the construction of a highway,
2 street, road, or bridge to 1 or more of the following or for the
3 payment of debt service on bonds, notes, or other obligations
4 issued after July 1, 1983, for the purpose of providing ~~funds~~**MONEY**
5 for the construction of a highway, street, road, or bridge to 1 or
6 more of the following:

7 (i) A location for which a building permit has been obtained
8 for the construction of a manufacturing or industrial facility.

9 (ii) A location for which a building permit has been obtained
10 for the renovation of, or addition to, a manufacturing or
11 industrial facility.

12 (d) Amounts expended for capital outlay other than for
13 highways, roads, streets, and bridges or to pay debt service on
14 bonds, notes, or other obligations issued after July 1, 1983, for
15 the purpose of providing ~~funds~~**MONEY** for capital outlay other than
16 for highways, roads, streets, and bridges.

17 (e) Amounts expended for the operating expenses of the ~~state~~
18 ~~transportation~~ department other than the units of the department
19 performing the functions assigned on January 1, 1983 to the bureau
20 of highways.

21 (f) Amounts expended pursuant to contracts entered into before
22 January 1, 1983.

23 (g) Amounts expended for the purposes described in subsection
24 (5).

25 (h) Amounts appropriated for deposit in the transportation
26 economic development fund and the rail grade crossing account
27 pursuant to section ~~10(1)(g) and~~ 10(1)(a) **AND (H)**.

1 (i) Upon the affirmative recommendation of the director of the
2 ~~state transportation~~ department and the approval by resolution of
3 the state transportation commission, those amounts expended for
4 projects vital to the economy of this state, a region, or local
5 area or the safety of the public. The resolution shall state the
6 cost of the project exempted from this subsection.

7 (3) Notwithstanding any other provision of this act, the ~~state~~
8 ~~transportation~~ department shall expend annually at least 90% of the
9 federal revenue distributed to the credit of the state trunk line
10 fund in that year, except for federal revenue expended for the
11 purposes described in subsection (2)(b), (c), (f), and (i) and for
12 the payment of notes issued under section 18b(9) on the
13 preservation of highways, roads, streets, and bridges. The
14 requirement of this subsection ~~shall be~~ **IS** waived if compliance
15 would cause this state to be ineligible according to federal law
16 for federal revenue, but only to the extent necessary to make this
17 state eligible according to federal law for that revenue.

18 (4) Notwithstanding any other provision of this section, the
19 ~~state transportation~~ department may loan money to ~~county~~ **A LOCAL**
20 ~~road commissions, cities, and villages~~ **AGENCY** for paying capital
21 costs of transportation purposes described in the second paragraph
22 of section 9 of article IX of the state constitution of 1963 from
23 the proceeds of bonds or notes issued pursuant to section 18b or
24 from the state trunk line fund. Loans made directly from the state
25 trunk line fund shall be made only after provision of ~~funds~~ **MONEY**
26 for the purposes specified in subsection (1)(a) to (f). Loans
27 described in this subsection are not subject to the revised

1 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

2 (5) ~~County~~ **LOCAL** road ~~commissions, cities, and villages~~
 3 **AGENCY** may borrow money from the proceeds of bonds or notes issued
 4 under section 18b or the state trunk line fund for the purposes set
 5 forth in subsection (4) that shall be repayable, with interest,
 6 from 1 or more of the following:

7 (a) The money to be received by the ~~county~~ **LOCAL** road
 8 ~~commission, city, or village~~ **AGENCY** from the Michigan
 9 transportation fund, except to the extent the money has been or may
 10 in the future be pledged by contract in accordance with 1941 PA
 11 205, MCL 252.51 to 252.64, or has been or may in the future be
 12 pledged for the payment of the principal and interest upon notes
 13 issued ~~pursuant to~~ **UNDER** 1943 PA 143, MCL 141.251 to 141.254, or
 14 has been or may in the future be pledged for the payment of
 15 principal and interest upon bonds issued under section 18c or 18d,
 16 or has been or may in the future be pledged for the payment of the
 17 principal and interest upon bonds issued ~~pursuant to~~ **UNDER** 1952 PA
 18 175, MCL 247.701 to 247.707.

19 (b) Any other legally available ~~funds~~ **MONEY** of the ~~city,~~
 20 ~~village, or county~~ **LOCAL** road ~~commission,~~ **AGENCY**, other than the
 21 general funds of the county.

22 (6) ~~Loans~~ **IF REQUIRED BY THE DEPARTMENT, LOANS** made ~~pursuant~~
 23 ~~to~~ **UNDER** subsection (4) ~~if required by the state transportation~~
 24 ~~department may be~~ **ARE** payable by deduction by the state treasurer,
 25 upon direction of the ~~state transportation~~ department, from the
 26 periodic disbursements of any money returned by ~~the~~ **THIS** state
 27 under this act to the ~~county~~ **LOCAL** road ~~commission, city, or~~

1 ~~village, AGENCY~~, but only after sufficient money has been returned
2 to the ~~county LOCAL road commission, city, or village AGENCY~~ to
3 provide for the payment of contractual obligations incurred or to
4 be incurred and principal and interest on notes and bonds issued or
5 to be issued under 1941 PA 205, MCL 252.51 to 252.64, 1943 PA 143,
6 MCL 141.251 to 141.254, 1952 PA 175, MCL 247.701 to 247.707, or
7 section 18c or 18d. The interest rates and payment schedules of any
8 loans made from the proceeds of bonds or notes issued pursuant to
9 section 18b shall be established by the ~~state transportation~~
10 department to conform as closely as practicable to the interest
11 rate and repayment schedules on the bonds or notes issued to make
12 the loans. However, the ~~state transportation~~ department may allow
13 for the deferral of the first payment of interest or principal on
14 the loans for a period of not to exceed 1 year after the respective
15 first payment of interest or principal on the bonds or notes issued
16 to make the loans.

17 (7) The amount borrowed by a ~~county LOCAL road commission,~~
18 ~~city, or village pursuant to AGENCY UNDER~~ subsection (5) shall not
19 be included in, or charged against, any constitutional, statutory,
20 or charter debt limitation of the county, city, or village and
21 shall not be included in the determination of the maximum annual
22 principal and interest requirements of, or the limitations upon,
23 the maximum annual principal and interest incurred under 1941 PA
24 205, MCL 252.51 to 252.64, 1943 PA 143, MCL 141.251 to 141.254,
25 1952 PA 175, MCL 247.701 to 247.707, or section 18c or 18d.

26 (8) The ~~county LOCAL road commission, city, or village AGENCY~~
27 is not required to seek or obtain the approval of the electors, the

1 municipal finance commission or its successor agency, or, except as
2 provided in this subsection, the department of treasury to borrow
3 money ~~pursuant to~~ **UNDER** subsection (5). The borrowing is not
4 subject to the revised municipal finance act, 2001 PA 34, MCL
5 141.2101 to 141.2821, or to section 5(g) of the home rule city act,
6 1909 PA 279, MCL 117.5. The ~~state transportation~~ department shall
7 give at least 10 days' notice to the state treasurer of its
8 intention to make a loan under subsection (4). If the state
9 treasurer gives notice to the director of the ~~state transportation~~
10 department within 10 days of receiving the notice from the ~~state~~
11 ~~transportation~~ department, that, based upon the then existing
12 financial or credit situation of the ~~county~~ **LOCAL** road ~~commission,~~
13 ~~city, or village,~~ **AGENCY**, it would not be in the best interests of
14 ~~the~~ **THIS** state to make a loan under subsection (4) to the ~~county~~
15 **LOCAL** road ~~commission, city, or village,~~ **AGENCY**, the loan shall not
16 be made unless the state treasurer, after a hearing, if requested
17 by the affected ~~county~~ **LOCAL** road ~~commission, city, or village,~~
18 **AGENCY**, subsequently gives notice to the director of the ~~state~~
19 ~~transportation~~ department that the loan may be made on the
20 conditions that the state treasurer specifies.

21 (9) The state transportation commission may borrow money and
22 issue bonds and notes under ~~, and pursuant to the requirements of,~~
23 section 18b to make loans to ~~county~~ **A LOCAL** road ~~commissions,~~
24 ~~cities, and villages~~ **AGENCY** for the purposes described in the
25 second paragraph of section 9 of article IX of the state
26 constitution of 1963, as provided in subsection (4). A single issue
27 of bonds or notes may be issued for the purposes specified in

1 subsection (4) and for the other purposes specified in section 18b.
2 The house and senate transportation appropriations subcommittees
3 shall be notified by the department if there are extras and
4 overruns sufficient to require approval of either the state
5 administrative board or the commission, or both, on any contract
6 between the department and a local road agency or a private
7 business.

8 (10) The director of the ~~state transportation~~ department,
9 after consultation with representatives of the interests of ~~county~~
10 **LOCAL** road ~~commissions, cities, and villages,~~ **AGENCIES**, shall
11 establish, by intergovernmental communication, procedures for the
12 implementation and administration of the loan program established
13 under subsections (4) to (9).

14 (11) Not more than 10% per year of all of the ~~funds~~ **MONEY**
15 received by and returned to the ~~state transportation~~ department
16 from any source for the purposes of this section may be expended
17 for administrative expenses. The department shall be subject to
18 section 14(5) if more than 10% per year is expended for
19 administrative expenses. As used in this subsection,
20 "administrative expenses" means ~~those~~ expenses that are not
21 assigned including, but not limited to, specific road construction
22 or preservation projects and are often referred to as general or
23 supportive services. Administrative expenses ~~shall~~ **DO** not include
24 net equipment expense, net capital outlay, debt service principal
25 and interest, and payments to other state or local offices ~~which~~
26 **THAT** are assigned, but not limited to, specific road construction
27 projects or preservation activities.

1 (12) Any performance audits of the department shall be
 2 conducted according to government auditing standards issued by the
 3 United States general accounting office.

4 (13) Contracts entered into to advance money to a ~~county~~ **LOCAL**
 5 road ~~commission, city, or village~~ **AGENCY** under subsection (1)(g)
 6 are not subject to the revised municipal finance act, 2001 PA 34,
 7 MCL 141.2101 to 141.2821.

8 (14) **THE DEPARTMENT SHALL PREPARE ON AN ANNUAL BASIS A REPORT**
 9 **LISTING ALL WARRANTIES THAT WERE SECURED UNDER SUBSECTION (2) AND**
 10 **INDICATE WHETHER ANY OF THOSE WARRANTIES WERE REDEEMED AND ALL**
 11 **PAVEMENT PROJECTS WHOSE COSTS EXCEED \$1,000,000.00 FOR WHICH A**
 12 **WARRANTY WAS NOT SECURED AS DESCRIBED IN SUBSECTION (2). THE**
 13 **DEPARTMENT SHALL MAKE THE REPORT REQUIRED BY THIS SUBSECTION**
 14 **AVAILABLE TO THE PUBLIC UPON REQUEST AND SHALL ALSO POST THE REPORT**
 15 **ON ITS WEBSITE, WHICH SHALL INCLUDE, BUT IS NOT LIMITED TO, ALL OF**
 16 **THE FOLLOWING INFORMATION:**

17 (A) THE TYPE OF PROJECT.

18 (B) THE COST OR ESTIMATED COST OF THE PROJECT.

19 (C) THE EXPECTED LIFESPAN OF THE PROJECT.

20 (15) ~~(14)~~ As used in this section: ~~7 "rail grade crossing~~
 21 ~~improvement purposes"~~

22 (A) "LOCAL ROAD AGENCY" MEANS THAT TERM AS DEFINED IN SECTION
 23 9A.

24 (B) "RAIL GRADE CROSSING IMPROVEMENT PURPOSES" means 1 or more
 25 of the following:

26 (i) ~~(a)~~ The installation and modernization of active and
 27 passive warning devices at railroad grade crossings.

1 (ii) ~~(b)~~—The installation or improvement of grade crossing
2 surfaces.

3 (iii) ~~(c)~~—Modification, relocation, or modernization of railroad
4 grade crossing active and passive warning devices necessitated by
5 roadway improvement projects.

6 (iv) ~~(d)~~—Test installations of innovative warning devices or
7 other innovative applications.

8 (v) ~~(e)~~—Construction of new grade separations.

9 (vi) ~~(f)~~—A cash incentive payment made pursuant to subsection
10 (1) (c) (iv) for any public road or street crossing, in an amount no
11 greater than the cost of installing flashing light signals and half
12 roadway gates at the crossing.

13 (vii) ~~(g)~~—Any other work that would be eligible for funding
14 under the federal railroad-highway grade crossing improvement
15 program or other comparable programs.

16 Sec. 11c. ~~All~~ **SUBJECT TO SECTION 11(1)(G), ALL** federal aid
17 construction projects, **AND** all other projects of the department
18 concerning highways, streets, roads, and bridges, whose cost
19 exceeds \$100,000.00 for construction or preservation as defined in
20 section 10c, shall be performed by contract awarded by competitive
21 bidding unless the department ~~shall affirmatively find~~ **FINDS** that
22 under the circumstances relating to those projects, some other
23 method is in the public interest. ~~All of these~~ **THE DEPARTMENT SHALL**
24 **REPORT ITS** findings ~~shall be reported~~ to the state transportation
25 commission 90 days before work is commenced and promptly in writing
26 to the appropriations committees of the senate and house of
27 representatives. However, in a case in which the department

1 determines emergency action is required, the reports need not be
2 filed before work is commenced but shall be promptly filed. Local
3 road agencies that make a decision not to perform construction or
4 preservation projects exceeding \$100,000.00 shall contract for this
5 work through competitive bidding.