SUBSTITUTE FOR

SENATE BILL NO. 841

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2023; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2023 from the following funds:

DEPARTMENT OF TRANSPORTATION		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	2,936.3	

GROSS APPROPRIATION	**$**	**6,311,049,000**
Total interdepartmental grants and intradepartmental transfers		4,123,800
ADJUSTED GROSS APPROPRIATION	**$**	**6,306,925,200**
Federal revenues:		
Total federal revenues		2,026,480,000
Special revenue funds:		
Total local revenues		85,773,500
Total private revenues		900,000
Total other state restricted revenues		3,903,771,600
State general fund/general purpose	**$**	**290,000,100**
Sec. 102. DEBT SERVICE		
Airport safety and protection plan	$	2,274,800
Blue Water Bridge fund		3,961,100
Comprehensive transportation		1,466,600
Economic development		7,650,100
Local bridge fund		556,500
State trunkline		209,391,400
GROSS APPROPRIATION	**$**	**225,300,500**
Appropriated from:		
Blue Water Bridge fund		3,961,100
Comprehensive transportation fund		1,466,600
Economic development fund		7,650,100
Local bridge fund		556,500
State aeronautics fund		2,274,800
State trunkline fund		209,391,400
State general fund/general purpose	**$**	**0**
Sec. 103. INTERDEPARTMENTAL GRANTS		

CTF grant to civil service commission	$	250,000
CTF grant to department of attorney general		109,400
CTF grant to department of technology, management, and budget		40,900
CTF grant to department of treasury		54,900
CTF grant to legislative auditor general		43,200
MTF grant to department of environment, Great Lakes, and energy		1,524,700
MTF grant to department of state for collection of revenue and fees		20,000,000
MTF grant to department of treasury		3,528,000
MTF grant to legislative auditor general		350,200
SAF grant to civil service commission		150,000
SAF grant to department of attorney general		191,800
SAF grant to department of technology, management, and budget		31,700
SAF grant to department of treasury		81,600
SAF grant to legislative auditor general		33,800
STF grant to civil service commission		6,321,000
STF grant to department of attorney general		2,172,800
STF grant to department of state police		12,402,700
STF grant to department of technology, management, and budget		1,406,500
STF grant to department of treasury		167,000
STF grant to legislative auditor general		813,500
GROSS APPROPRIATION	**$**	**49,673,700**
Appropriated from:		
Comprehensive transportation fund		498,400

Michigan transportation fund			25,402,900
State aeronautics fund			488,900
State trunkline fund			23,283,500
State general fund/general purpose		**$**	**0**
Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	256.3		
Unclassified salaries--FTE positions	6.0	$	900,400
Asset management council			1,876,400
Business support services--FTEs	40.0		6,644,600
Commission audit--FTEs	29.3		3,643,800
Economic development and enhancement programs--FTEs	10.0		1,765,200
Finance, contracts, and support services--FTEs	177.0		23,837,700
Property management			7,235,700
Worker's compensation			1,859,300
GROSS APPROPRIATION		**$**	**47,763,100**
Appropriated from:			
IDG for accounting service center user charges			4,123,800
Comprehensive transportation fund			1,654,400
Economic development fund			410,100
Michigan transportation fund			4,437,500
State aeronautics fund			708,900
State trunkline fund			36,428,400
State general fund/general purpose		**$**	**0**
Sec. 105. INFORMATION TECHNOLOGY			
Information technology services and projects		$	41,691,800

GROSS APPROPRIATION		**$**	**41,691,800**
Appropriated from:			
Federal aid - transportation programs			520,500
Blue Water Bridge fund			57,600
Comprehensive transportation fund			234,400
Economic development fund			38,800
Michigan transportation fund			306,300
State aeronautics fund			182,800
State trunkline fund			40,351,400
State general fund/general purpose		**$**	**0**
Sec. 106. TRANSPORTATION PLANNING			
Full-time equated classified positions	136.0		
Planning services--FTEs	136.0	$	42,124,400
Grants to regional planning councils			488,800
GROSS APPROPRIATION		**$**	**42,613,200**
Appropriated from:			
Federal aid - transportation programs			24,000,000
Comprehensive transportation fund			636,100
Michigan transportation fund			10,063,200
State aeronautics fund			16,100
State trunkline fund			7,897,800
State general fund/general purpose		**$**	**0**
Sec. 107. DESIGN AND ENGINEERING SERVICES			
Full-time equated classified positions	1,502.3		
Business services--FTEs	151.0		23,296,200
Program development and delivery--FTEs	1,014.3		101,148,800
System operations management--FTEs	337.0		58,228,300
GROSS APPROPRIATION		**$**	**182,673,300**

Appropriated from:			
Federal aid - transportation programs			23,529,800
Comprehensive transportation fund			187,100
Michigan transportation fund			16,535,900
State trunkline fund			142,420,500
State general fund/general purpose		**$**	**0**
Sec. 108. HIGHWAY MAINTENANCE			
Full-time equated classified positions	879.7		
State trunkline operations--FTEs	879.7	$	441,024,100
GROSS APPROPRIATION		**$**	**441,024,100**
Appropriated from:			
State trunkline fund			441,024,100
State general fund/general purpose		**$**	**0**
Sec. 109. ROAD AND BRIDGE PROGRAMS			
Cities and villages		$	684,060,200
County road commissioners			1,226,915,200
Grants to local programs			33,475,400
Local agency wetland mitigation bank fund			2,000,000
Local bridge program			26,981,600
Local federal aid and road and bridge construction			384,987,800
Movable bridge fund			5,858,400
Rail grade crossing			3,000,000
Rail grade crossing - surface improvements			3,000,000
State trunkline federal aid and road and bridge construction			1,662,619,200
GROSS APPROPRIATION		**$**	**4,032,897,800**
Appropriated from:			

Federal aid - transportation programs			1,570,218,700
Local funds			30,003,500
Blue Water Bridge fund			8,071,700
Local bridge fund			26,981,600
Michigan transportation fund			1,958,309,200
State trunkline fund			439,313,100
State general fund/general purpose		**$**	**0**
Sec. 110. BLUE WATER BRIDGE			
Full-time equated classified positions	41.0		
Blue Water Bridge operations--FTEs	41.0	$	7,163,800
GROSS APPROPRIATION		**$**	**7,163,800**
Appropriated from:			
Blue Water Bridge fund			7,163,800
State general fund/general purpose		**$**	**0**
Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT			
Community service infrastructure fund		$	3,000,000
Forest roads			5,000,000
Rural county primary			8,737,800
Rural county urban system			2,500,000
Targeted industries/economic development			17,975,400
Urban county congestion			8,737,800
GROSS APPROPRIATION		**$**	**45,951,000**
Appropriated from:			
Economic development fund			45,951,000
State general fund/general purpose		**$**	**0**
Sec. 112. AERONAUTICS SERVICES			
Full-time equated classified positions	46.0		
Air fleet operations and maintenance--FTEs	8.0	$	1,025,000

Air service program			50,000
Aviation services--FTEs	38.0		6,470,400
GROSS APPROPRIATION		**$**	**7,545,400**
Appropriated from:			
State aeronautics fund			7,545,400
State general fund/general purpose		**$**	**0**
Sec. 113. PUBLIC TRANSPORTATION SERVICES			
Full-time equated classified positions	36.0		
Passenger transportation services--FTEs	36.0	$	6,386,100
GROSS APPROPRIATION		**$**	**6,386,100**
Appropriated from:			
Federal aid - transportation programs			1,200,000
Comprehensive transportation fund			5,186,100
State general fund/general purpose		**$**	**0**
Sec. 114. LOCAL BUS TRANSIT			
Local bus operating		$	203,750,000
Nonurban operation/capital			39,845,600
GROSS APPROPRIATION		**$**	**243,595,600**
Appropriated from:			
Federal aid - transportation programs			37,845,600
Local funds			2,000,000
Comprehensive transportation fund			203,750,000
State general fund/general purpose		**$**	**0**
Sec. 115. INTERCITY PASSENGER			
Full-time equated classified positions	39.0		
Detroit/Wayne County Port Authority		$	500,000
Freight railroad and development grant program			32,750,000
Freight property management			1,300,000

Intercity services			9,618,800
Marine passenger service			3,664,000
Office of rail--FTEs	39.0		6,865,600
Rail operations and infrastructure			114,356,200
GROSS APPROPRIATION		**$**	**169,054,600**
Appropriated from:			
Federal aid - fra			30,000,000
Federal aid - fta			8,710,800
Local funds			760,000
Private funds			900,000
Comprehensive transportation fund			119,150,900
Intercity bus equipment fund			600,000
Michigan transportation fund			2,148,700
Rail freight fund			6,000,000
State trunkline fund			784,200
State general fund/general purpose		**$**	**0**
Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT			
Municipal credit program		$	2,000,000
Service initiatives			18,681,600
Specialized services			21,666,300
Transit capital			150,233,300
Transportation to work			3,875,000
Van pooling			195,000
GROSS APPROPRIATION		**$**	**196,651,200**
Appropriated from:			
Federal aid - transportation programs			100,454,600
Local funds			35,510,000
Comprehensive transportation fund			60,686,600

State general fund/general purpose	**$**	**0**
Sec. 117. CAPITAL OUTLAY		
(1) BUILDINGS AND FACILITIES		
Salt storage buildings and containment control	$	2,500,000
Special maintenance, remodeling, and additions		3,001,500
GROSS APPROPRIATION	**$**	**5,501,500**
Appropriated from:		
State trunkline fund		5,501,500
State general fund/general purpose	**$**	**0**
(2) AIRPORT IMPROVEMENT PROGRAMS		
Airport safety, protection and improvement program	$	158,461,900
Detroit Metropolitan Wayne County Airport		5,850,000
IIJA airport infrastructure grants		95,000,000
GROSS APPROPRIATION	**$**	**259,311,900**
Appropriated from:		
Federal aid - transportation programs		230,000,000
Local funds		17,500,000
Qualified airport fund		5,850,000
State aeronautics fund		5,961,900
State general fund/general purpose	**$**	**0**
Sec. 118. ONE-TIME APPROPRIATIONS		
Ann Arbor to Traverse City passenger rail	$	100
Basic marine dock project		700,000
Lake Michigan car ferry		100
Local rail grade separation projects		140,000,000
Local rail grade separation projects		100
Local road and bridge projects		150,000,000

Maritime and port facility improvement office		100
Maritime passenger ferry		14,000,000
Northern Michigan rail phase II study		1,000,000
Upper Peninsula freight rail infrastructure investment		550,000
GROSS APPROPRIATION	**$**	**306,250,400**
Appropriated from:		
Comprehensive transportation fund		16,250,300
State general fund/general purpose	**$**	**290,000,100**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2022-2023 is $4,193,771,700.00 and state spending from state sources to be paid to local units of government for fiscal year 2022-2023 is $2,602,836,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT		
Grants to regional planning councils	$	488,800
Cities and villages		684,060,200
County road commissions		1,226,915,200
Grants to local programs		33,475,400
Local bridge program		26,981,600
Local agency wetland mitigation		2,000,000

Movable bridge	2,929,200
Rail grade crossing	1,500,000
Rail grade surface crossing improvements	3,000,000
Transportation economic development	39,120,300
Air service program	50,000
Local bus operating	203,750,000
Detroit/Wayne County Port Authority	500,000
Marine passenger service	512,000
Municipal credit program	2,000,000
Service initiatives	9,029,400
Specialized services	4,353,900
Transit capital	41,233,300
Transportation to work	3,875,000
Airport safety, protection, and improvement program	5,961,900
Detroit Metropolitan Wayne County Airport	5,850,000
Basic marine dock project	700,000
Lake Michigan car ferry	100
Local rail grade separation projects	140,000,000
Local rail grade separation projects	100
Local road and bridge projects	150,000,000
Maritime passenger ferry	14,000,000
Upper Peninsula freight rail infrastructure investment	550,000
Total payments to local units of government	**$ 2,602,836,400**

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "CRRSSA" means the coronavirus response and relief supplemental appropriations act, 2021, division M of Public Law 116-260.

(b) "CTF" means comprehensive transportation fund.

(c) "Department" means the state transportation department.

(d) "Director" means the director of the department.

(e) "DOT" means the United States Department of Transportation.

(f) "DOT-FHWA" means DOT, Federal Highway Administration.

(g) "FTE" means full-time equated.

(h) "IDG" means interdepartmental grant.

(i) "MTF" means Michigan transportation fund.

(j) "SAF" means state aeronautics fund.

(k) "STF" means state trunkline fund.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the internet to fulfill the reporting requirements of this part. This requirement shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement, and it shall include placement of reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 208. Funds appropriated in part 1 may be used by a principal executive department, state agency, or authority to hire a person to provide legal services that the attorney general has the responsibility or the discretion to provide. A principal executive department, state agency, or authority may request reimbursement from the office of the attorney general for costs incurred for the purposes of hiring counsel to provide legal services.

Sec. 209. Not later than December 31, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

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

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

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

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall provide to the state budget office information sufficient to provide the senate and house appropriations chairs, the chairpersons of the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2022 and September 30, 2023.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2023 are $69,747,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $42,345,600.00. Total agency appropriations for retiree health care legacy costs are estimated at $27,401,500.00.

Sec. 215. A department shall not take disciplinary action against an employee of the department or departmental agency in the state classified civil service because the employee communicates with a member of the senate or house of representatives or a member's staff, unless the communication is prohibited by law and the department or agency taking disciplinary action is exercising its authority as provided by law.

Sec. 216. (1) On a quarterly basis, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies the following information:

(a) The number of FTEs in pay status by type of staff and civil service classification.

(b) A comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period.

(2) By March 1 of the current fiscal year, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies the following information:

(a) Number of employees that were engaged in remote work in 2022.

(b) Number of employees authorized to work remotely and the actual number of those working remotely in the current reporting period.

(c) Estimated net cost savings achieved by remote work.

(d) Reduced use of office space associated with remote work.

Sec. 217. Appropriations in part 1 shall, to the extent possible by the department, not be expended until all existing work project authorization available for the same purposes is exhausted.

Sec. 218. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this article, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within this article for the particular department, board, commission, officer, or institution.

Sec. 219. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. The department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house appropriations committees, the senate and house subcommittees on transportation, the joint committee on administrative rules, and the senate and house fiscal agencies.

Sec. 221. (1) From the funds appropriated in part 1, the department shall do all of the following:

(a) Report to the house and senate appropriations committees, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office any amount of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director or official is signed. The name of the director or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Maintain an internet site that posts any severance pay in excess of 6 weeks of wages, regardless of the position held by the former department employee receiving severance pay.

(c) By February 1, report to the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the total amount of severance pay remitted to former department employees during the fiscal year ending September 30, 2022 and the total number of former department employees that were remitted severance pay during the fiscal year ending September 30, 2022.

(2) As used in this section, "severance pay" means compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 222. (1) Any department, agency, board, commission, or public officer that receives funding under part 1 shall not:

(a) Require as a condition of accessing any facility or receiving services that an individual provide proof that he or she has received a COVID-19 vaccine except as provided by federal law or as a condition of receiving federal Medicare or Medicaid funding.

(b) Produce, develop, issue, or require a COVID-19 vaccine passport.

(c) Develop a database or make any existing database publicly available to access an individual's COVID-19 vaccine status by any person, company, or governmental entity.

(d) Require as a condition of employment that an employee or official provide proof that he or she has received a COVID-19 vaccine. This subdivision does not apply to any hospital, congregate care facility, or other medical facility or any hospital, congregate care facility, or other medical facility operated by a local subdivision that receives federal Medicare or Medicaid funding.

(2) A department, agency, board, commission, or public officer may not subject any individual to any negative employment consequence, retaliation, or retribution because of that individual's COVID-19 vaccine status.

(3) Subsection (1) does not prohibit any person, department,

agency, board, commission, or public officer from transmitting proof of an individual's COVID-19 vaccine status to any person, company, or governmental entity, so long as the individual provides affirmative consent.

(4) If a department, agency, board, commission, subdivision, or official or public officer is required to establish a vaccine policy due to a federal mandate, it must provide exemptions to any COVID-19 vaccine policy to the following individuals:

(a) An individual for whom a physician certifies that a COVID-19 vaccine is or may be detrimental to the individual's health or is not appropriate.

(b) An individual who provides a written statement to the effect that the requirements of the COVID-19 vaccine policy cannot be met because of religious convictions or other consistently held objection to immunization.

(5) As used in this section, "public officer" means a person appointed by the governor or another executive department official or an elected or appointed official of this state or a political subdivision of this state.

Sec. 223. To the extent possible, the department shall provide notice to the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate standing committees on transportation, the appropriate house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on proposed federal rule changes related to the department that would require amendments to the laws of this state. The notice shall be given within 30 business days of the proposed federal rule being posted to the Federal Register and shall include a description of the proposed federal rule, the publication date, the date when public comment closes, the document citation, and a description of the statutory changes needed when the rule is finalized.

Sec. 270. In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, the department will prioritize the utilization of remanufactured parts or recycled parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

Sec. 302. (1) Total authorized annual state trunkline fund debt service limits identified in section 18b of 1951 PA 51, MCL 247.668b, from constitutionally restricted revenue sources identified in section 9 of article IX of the state constitution of 1963 are as follows:

(a) At 25% of the constitutionally restricted revenue sources set aside for the state trunkline fund, the debt service limit for the fiscal year ending September 30, 2023 for the state trunkline fund is $260,248,200.00.

(b) At 50% of the constitutionally restricted revenue sources set aside for the state trunkline fund, the debt service limit for the fiscal year ending September 30, 2023 for the state trunkline fund is $520,496,400.00.

(2) The department shall report no later than February 1, 2023 on the state trunkline fund debt service limit. The report must include an accounting of the previous fiscal year's trunkline fund debt service limit, the total amount of debt service paid for that fiscal year, and the remaining portion of the debt service cap that was not applied. The report must include a projection for the fiscal year ending September 30, 2023 that also includes the fiscal year debt service limit, the total amount of debt service planned for the fiscal year ending September 30, 2023, and the remaining portion of the debt service cap that could be applied. The report must include all planned bonding for the fiscal year ending September 30, 2023.

Sec. 303. When the department places signs identifying trunkline construction projects as bond-financed, the signs shall identify the total cost of the project and the estimated borrowing costs associated with the bonds used to finance the project. Text and numeric figures identifying estimated borrowing costs associated with bonds used to finance projects shall be the same font and font size as the text and numeric figures identifying trunkline construction projects as bond-financed.

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

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

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

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

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

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

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, the house and senate fiscal agencies, and the auditor general stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds

returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds.

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

Sec. 308. From the funds appropriated in part 1 for highway maintenance, the department shall initiate a winter maintenance program in accordance with section 11a of 1951 PA 51, MCL 247.661a.

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

Sec. 311. Not later than March 30, 2023, the department shall provide a progress report on the CRRSSA - highway infrastructure program - local bridge bundling initiative to the senate and house transportation appropriations subcommittees, the state budget director, and the senate and house fiscal agencies.

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

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

(3) The department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on the status of the state infrastructure bank. The report shall be submitted on or before December 1, 2022. The report shall include all of the following:

(a) The balance in the state infrastructure bank on September 30, 2022, including a breakdown of the balance by cash and cash equivalents, outstanding loans, and balance available for loan to local agencies.

(b) A breakdown of the state infrastructure loan balance by amounts designated as originating from federal sources and the amounts originating from nonfederal sources.

(c) A list of outstanding loans by agency, original loan amount, project description, loan term, and amount outstanding.

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

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

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

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

Sec. 376. The department shall not spend funds appropriated in part 1 for the purpose of examining the potential association between commercial signs, outdoor advertising signs, billboards, digital billboards, or commercial electronic variable message signs and motor vehicle activity or motor vehicle driver behavior.

Sec. 382. In administering a contract with a county road commission, city, or village that allocates costs of construction or reconstruction of highways, roads, and streets as provided in section 18d of 1951 PA 51, MCL 247.668d, the department shall submit the final cost-sharing bill to the county road commission, city, or village not later than 2 years after the date of the final contract payment to the construction contractor.

Sec. 383. (1) The department shall prepare a report on use of department-owned aircraft during the fiscal year ending September 30, 2022. With respect to each department-owned aircraft, the report shall include all of the following:

(a) Total hours of usage.

(b) Description of specific flights including dates of travel, names of passengers including state agency, university, or local government affiliation, travel origin and destination, and total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation, state budget director, and the house and senate fiscal agencies no later than February 1, 2023.

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

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate the state to expend any state transportation revenue for construction planning or construction of the Gordie Howe International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department shall not commit the state to any new contract related to the construction planning or construction of the Gordie Howe International Crossing or a renamed successor that would obligate the state to expend any state transportation revenue. An expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation revenue.

(2) If the legislature enacts specific enabling legislation for the construction of the Gordie Howe International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall submit monthly reports to the state budget director, the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, the senate minority leader, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on all of the following:

(a) All expenditures made by the state related to the Gordie Howe Bridge.

(b) All reimbursements made by Canada under section 384(1) of this part to the state for expenditures for staff resources used in connection with project activities.

(c) All eminent domain and condemnation powers used, the related real estate involved in any governmental taking, the price paid for those properties, and the beneficiary's name or associated corporation.

(2) The initial report required under subsection (1) shall be submitted on or before December 1, 2022. The initial report shall cover the fiscal year ending September 30, 2022.

Sec. 386. On or before May 1 of each year, the department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on its toll credit program. The report shall include the following information:

(a) The amount of toll credits earned and certified by the

DOT-FHWA in the prior fiscal year.

(b) The value of toll credits used by programs and projects in the previous fiscal year.

(c) The balance of available toll credits at the end of the prior fiscal year.

(d) A discussion of the department's strategy for using toll credits.

Sec. 387. (1) Within 90 days of completion of any formal traffic study, formal traffic control study, or formal traffic mitigation study, the department shall post the results of the study on the department's website.

(2) As used in this section, the terms "traffic study", "traffic control study", and "traffic mitigation study" include, but are not limited to, investigations into the need for traffic lights, reviews of traffic speeds and related recommendations regarding speed limits, and ways to improve traffic flow during peak travel times.

Sec. 389. Within 30 days of entering into a long-term agreement with a private contractor, a public agency, or a partnership between 1 or more private contractors or public agencies, the department shall notify the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies of the agreement, including the subject of the agreement, the term of the agreement, and financial obligations under the agreement. As used in this section, "long-term agreement" means an agreement that obligates the department for a period of 5 years or more and that actually or contingently obligates the department to make payments over the contract period of $5,000,000.00 or more.

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

(a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through midlife rehabilitation of transit buses.

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

(c) Coordination of transportation dollars among state departments that provide transit-related services, including the department of health and human services. Priority should be given to use of public transportation services where available.

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

Sec. 394. The department and local road agencies shall make the preservation of their existing road networks a funding priority.

Sec. 398. The department shall continue to work to eliminate fatalities and serious injuries on Michigan's trunkline network and shall maintain the Toward Zero Deaths statewide safety campaign.

Sec. 399. In developing its state trunkline road and bridge construction program, the department shall prioritize spending on capital preventative maintenance.

FEDERAL

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to this 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 479.42, and not appropriated to the department of licensing and regulatory affairs or the department of state police is deposited in the Michigan transportation fund.

Sec. 503. (1) At the close of the fiscal year, funds appropriated in part 1 for the transportation economic development program shall lapse to the transportation economic development fund.

(2) At the close of the fiscal year, funds appropriated in part 1 for the local bridge program shall lapse to the local bridge fund.

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

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

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

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

STATE TRUNKLINE FUND

Sec. 601. (1) The department shall maintain documentation to support initial acceptance of warrantied projects, interim and final inspections, and notifications to contractors that the warranty period had expired. The department also shall review and evaluate consultant evaluation requirements or recommendations and update existing policies and procedures accordingly.

(2) The department shall review its warranty administration processes, procedures, and associated manuals to ensure that all of the following occur:

(a) Initial notifications of needed corrective action are sent prior to warranty expiration.

(b) Consistent and timely second notifications of needed corrective action are sent if contractors do not respond within 30 days of an initial notification.

(c) The department has an effective process to establish time frames for corrective action completion.

(d) Daily inspector reports on all warranty segments are completed consistently.

(3) The department shall report on the review described in subsection (2) and changes resulting from the review. The department shall submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies no later than March 31, 2023.

Sec. 602. From the funds appropriated in part 1, the department shall study the potential impact of electric vehicle (EV) integration on the Michigan transportation fund and report its findings to the house and senate transportation subcommittees, the house and senate fiscal agencies, and the state budget office no later than September 31, 2023. The report must include data-based projections over 5, 10, and 20 years on the following:

(a) EV usage integration on Michigan roadways.

(b) Michigan transportation revenue losses due to EV integration.

(c) Any debt service coverage adjustments due to EV integration.

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

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives.

Sec. 660. (1) The legislature encourages the department to examine the use of alternative road surface materials and develop criteria and specifications for their use in both department-managed and contracted projects.

(2) From funds appropriated in part 1, the department shall establish the Michigan state transportation innovation council to review innovative road materials and innovative road and bridge design and construction specifications. The Michigan state transportation innovation council shall include, but is not limited to, a representative of the DOT-FHWA, an appointee chosen by the speaker of the house of representatives, and an appointee chosen by the senate majority leader.

(3) The department shall report on efforts taken to implement this section. The report shall include descriptions of specific field or laboratory tests. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1 of each year.

TRANSIT- AND RAIL-RELATED FUNDS

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment shall be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement shall be credited to the intercity bus equipment and facility fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, shall be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment or for the maintenance and rehabilitation of state-owned intercity facilities, as appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment and facility fund shall remain in the fund and be carried forward into the succeeding fiscal year.

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

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

Sec. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall include a breakdown of the appropriation by program, year-to-date obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year. The initial report shall be submitted to the senate and house appropriations subcommittees on transportation, the state budget director, and the senate and house fiscal agencies, on or before February 1, 2023. The department also shall update and resubmit the final report on or before November 1, 2023.

Sec. 706. The Detroit/Wayne County Port Authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by June 30 of each fiscal year for the prior fiscal year.

Sec. 707. (1) Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rail strategic plan. The strategic plan shall include, but is not limited to, a rolling 5-year rail plan and summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure.

(2) The rolling 5-year rail plan shall include, but is not limited to, all the following:

(a) A listing by county of all rail infrastructure projects on rail lines within the state utilizing state funds, and the estimated cost of each project.

(b) The actual or projected state expenditures for operation of passenger rail service.

(c) The actual or projected state expenditures for maintenance of passenger service rail lines.

(3) The period of the rolling 5-year rail plan includes the current fiscal year and the 4 fiscal years immediately following the current fiscal year.

(4) The summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure shall include a breakdown of the appropriation by program, year-to-year obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year.

Sec. 710. (1) From the funds appropriated in part 1 for the freight railroad and development grant program, the office of rail shall create and operate a freight railroad preservation and development grant program for the maintenance, development, and improvement of the freight railroad transportation system in Michigan.

(2) The grant program must provide 70% of the cost of freight railroad projects. The remaining 30% must be provided by cash or in-kind matching contributions from private or local sources.

(3) By December 31, 2022, the office of rail shall establish a detailed application, approval, compliance, and grant distribution process and publish it on the department's website.

(4) The office of rail may consult with other state, local, or private agencies, or their representatives, concerning freight rail projects to be undertaken under this program.

Sec. 720. It is the intent of the legislature that all transit agencies in Michigan should strive to achieve a farebox recovery rate of not less than 6%.

Sec. 735. For the fiscal year ending September 30, 2023, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.

Sec. 736. No funds from the appropriations in part 1 may be used for a rail freight development project to support the cessation of energy pipeline operations across the Straits of Mackinac.

Sec. 752. The legislature encourages the department to meet with representatives of a rail industry trade association to provide information on the availability of rail infrastructure loan and grant funding programs and freight economic development project opportunities.

Sec. 753. From the funds appropriated in part 1 for marine passenger service, 60% must be spent on eligible entities servicing multiple destinations. The remaining funds must be spent on eligible entities servicing a single destination.

Sec. 754. From the funds appropriated in part 1, the department shall prepare a report that provides detail regarding the department's obligations for programs funded under section 116 in part 1 for public transportation development. The report shall include a breakdown of expenditures for the fiscal year ending September 30, 2022 listed by program and itemized by project, current obligations listed by program and itemized by project, and an estimate of future obligations for the fiscal year ending September 30, 2023 listed by program and itemized by project. The report shall be due no later than November 30, 2022 and shall be submitted to the senate and house appropriations committees on transportation, the state budget director, and the senate and house fiscal agencies.

AERONAUTICS FUND

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

CAPITAL OUTLAY

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

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

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this part and part 1 and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

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

ONE-TIME APPROPRIATIONS

Sec. 1001. The funds appropriated in part 1 for Ann Arbor to Traverse City passenger rail are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. In compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, all of the following apply to a project under this section:

(a) The purpose of the project is to provide Michigan residents with reliable, safe, and efficient passenger rail transportation between Ann Arbor, Michigan and Traverse City, Michigan.

(b) The project will be completed by the department and any participating local governments or private organizations, as necessary.

(c) The total estimated cost of the project is $100.00.

(d) The tentative completion date is September 30, 2026.

Sec. 1002. The funds appropriated in part 1 for a basic marine dock project shall be awarded for an installation, grade, and surface preparation project located in a city with a population of between 12,000 and 13,000 and in a county with a population of between 36,800 and 37,000 according to the most recent federal decennial census.

Sec. 1003. The funds appropriated for the local rail grade separation program are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. In compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a, all of the following apply to a project under this section:

(a) The purpose of the work project is to provide local grants for the separation of motor vehicle traffic and railroad traffic in this state.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the work project is $100.00.

(d) The tentative completion date is September 30, 2026.

Sec. 1004. The funds appropriated in part 1 for the maritime and port facility improvement office shall be used by the department for the establishment of a new port office that will provide grants to fund port facility improvements.

Sec. 1005. The funds appropriated in part 1 for a maritime passenger ferry shall be provided to a maritime passenger authority located in a county with a population of between 26,000 and 26,100 according to the most recent federal decennial census for the purpose of purchasing a passenger ferry.

Sec. 1006. The funds appropriated in part 1 for a northern Michigan rail phase II study shall be used by the department to conduct a planning and engineering phase II study as required by the Federal Railroad Administration for future passenger rail service between Ann Arbor, Michigan and Traverse City, Michigan. The study must outline capital infrastructure needs, update market and ridership forecasts, and update industry analysis of rail development. The funding must also enable community engagement, outreach, and feedback with communities along the proposed passenger rail corridor.

Sec. 1007. The funds appropriated in part 1 for Upper Peninsula freight rail infrastructure investment shall be provided to a local county economic development corporation in a county with a population of between 36,000 and 36,800 according to the most recent federal decennial census for the purpose of replacing aging rail used for freight transportation purposes.

Sec. 1008. Of the one-time general fund/general purpose appropriation in part 1 for local road and bridge projects, $96,305,400.00 shall be distributed among the county road commissions in accordance with section 12 of 1951 PA 51, MCL 247.662, to be used by county road commissions as provided under that section. Of the one-time general fund/general purpose appropriation in part 1 for local road and bridge projects, $53,694,600.00 shall be distributed among cities and villages in accordance with section 13 of 1951 PA 51, MCL 247.663, to be used by cities and villages as provided under that section.