

SENATE BILL NO. 372

EXECUTIVE BUDGET BILL

February 23, 1999, Introduced by Senators HOFFMAN, MC MANUS,
STEIL, GOUGEON and GOSCHKA and referred to the Committee on
Appropriations.

A bill to make appropriations for the state transportation
department and certain transportation purposes for the fiscal year
ending September 30, 2000; to provide for the imposition of fees; to
provide for reports; to create certain funds and programs; to prescribe
requirements for certain railroad and bus facilities; to prescribe
certain powers and duties of certain state departments and officials
and local units of government; and to provide for the expenditure of
the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this bill, the

1 amounts listed in this part are appropriated for the state
 2 transportation department and certain state purposes designated in this
 3 bill for the fiscal year ending September 30, 2000, from the funds
 4 indicated in this part. The following is a summary of the
 5 appropriations in this part:

6 **DEPARTMENT OF TRANSPORTATION**

7 APPROPRIATION SUMMARY:

8 Full-time equated unclassified positions . . . 6.0

9 Full-time equated classified positions . . 3,176.3

10 GROSS APPROPRIATION \$ 2,810,730,900

11 Interdepartmental grant revenues:

12 Total interdepartmental grants and

13 intradepartmental transfers 10,459,500

14 ADJUSTED GROSS APPROPRIATION \$ 2,800,271,400

15 Federal revenues:

16 Total federal revenues 831,671,000

17 Special revenue funds:

18 Total local revenues 5,300,000

19 Total private revenues 0

20 Total other state restricted revenues 1,963,300,400

21 State general fund/general purpose \$ 0

22 **Sec. 102. DEBT SERVICE**

23 State trunkline \$ 35,904,600

24 Trunkline bonds, series 1989A-EDF (\$100,000,000) . 6,608,300

25 Critical bridge 3,000,000

26 Blue water bridge 2,311,900

27 Comprehensive transportation 21,209,300

28 GROSS APPROPRIATION \$ 69,034,100

29 Appropriated from:

30 Special revenue funds:

31 Blue water bridge fund 2,311,900

1	Comprehensive transportation fund	21,209,300
2	Michigan transportation fund	9,608,300
3	State trunkline fund	35,904,600
4	State general fund/general purpose \$	0
5	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
6	MICHIGAN TRANSPORTATION FUND (MTF)	
7	MTF grant to department of environmental quality . \$	813,000
8	MTF grant to department of state	56,830,800
9	MTF grant to legislative auditor general	101,800
10	MTF grant to department of attorney general . . .	2,475,200
11	STATE TRUNKLINE FUND (STF)	
12	STF grant to department of civil service	1,320,000
13	STF grant to department of management and budget .	768,100
14	STF grant to department of natural resources . . .	37,500
15	STF grant to department of state police	6,305,700
16	STF grant to department of treasury	24,300
17	STF grant to legislative auditor general	381,100
18	STATE AERONAUTICS FUND (SAF)	
19	SAF grant to department of attorney general . . .	114,900
20	SAF grant to department of civil service	50,000
21	SAF grant to department of management and budget .	18,200
22	SAF grant to department of treasury	61,500
23	SAF grant to legislative auditor general	15,400
24	COMPREHENSIVE TRANSPORTATION FUND (CTF)	
25	CTF grant to department of civil service	95,000
26	CTF grant to department of management and budget .	38,600
27	CTF grant to department of treasury	8,900
28	CTF grant to legislative auditor general	<u>38,900</u>
29	GROSS APPROPRIATION \$	69,498,900
30	Appropriated from:	
31	Special revenue funds:	
32	Comprehensive transportation fund	181,400

1	Michigan transportation fund	60,220,800
2	State aeronautics fund	260,000
3	State trunkline fund	8,836,700
4	State general fund/general purpose \$	0
5	Sec. 104. EXECUTIVE DIRECTION	
6	Full-time equated unclassified positions . . . 6.0	
7	Full-time equated classified positions 33.3	
8	Unclassified salaries \$	483,700
9	Commission audit--33.3 FTE positions	<u>2,911,900</u>
10	GROSS APPROPRIATION \$	3,395,600
11	Appropriated from:	
12	Special revenue funds:	
13	State trunkline fund	3,395,600
14	State general fund/general purpose \$	0
15	Sec. 105. ADMINISTRATIVE SERVICES	
16	Full-time equated classified positions . . . 138.7	
17	Administration and data center--103.7 FTE positions	\$ 31,190,500
18	Building occupancy charges - property management .	4,582,400
19	Human resources--30.0 FTE positions	2,402,200
20	Economic development administration--5.0	
21	FTE positions	407,800
22	Rent	1,940,000
23	Worker's compensation	<u>2,528,600</u>
24	GROSS APPROPRIATION \$	43,051,500
25	Appropriated from:	
26	Federal revenues:	
27	DOT-FHWA, highway research, planning, and	
28	construction	1,000,000
29	Special revenue funds:	
30	Comprehensive transportation fund	1,086,200
31	Michigan transportation fund	435,600

1	State aeronautics fund	631,900
2	State trunkline fund	39,897,800
3	State general fund/general purpose \$	0
4	Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION	
5	Full-time equated classified positions . . . 255.5	
6	Administration--255.5 FTE positions \$	<u>20,355,500</u>
7	GROSS APPROPRIATION \$	20,355,500
8	Appropriated from:	
9	Special revenue funds:	
10	Michigan transportation fund	1,048,100
11	State trunkline fund	19,307,400
12	State general fund/general purpose \$	0
13	Sec. 107. BUREAU OF TRANSPORTATION PLANNING	
14	Full-time equated classified positions . . . 185.1	
15	Administration--185.1 FTE positions \$	20,674,700
16	Grants to regional planning councils	<u>488,800</u>
17	GROSS APPROPRIATION \$	21,163,500
18	Appropriated from:	
19	Federal revenues:	
20	DOT-FHWA, highway research, planning, and	
21	construction	11,041,000
22	Special revenue funds:	
23	Comprehensive transportation fund	1,679,500
24	Michigan transportation fund	5,755,200
25		
26	State aeronautics fund	267,000
27	State trunkline fund	2,420,800
28	State general fund/general purpose \$	0
29	Sec. 108. BUREAU OF HIGHWAYS	
30	Full-time equated classified positions . . 1,658.1	
31	Engineering operations--826.3 FTE positions . . . \$	23,250,900

1	Maintenance operations--78.0 FTE positions	6,904,700
2	Program services--753.8 FTE positions	<u>35,431,100</u>
3	GROSS APPROPRIATION	\$ 65,586,700
4	Appropriated from:	
5	Interdepartmental grants and intradepartmental	
6	transfers:	
7	IDT, intradepartmental charges	207,500
8	Federal revenues:	
9	DOT-FHWA, highway research, planning, and	
10	construction	3,035,000
11	Special revenue funds:	
12	Michigan transportation fund	2,182,200
13	State trunkline fund	60,162,000
14	State general fund/general purpose	\$ 0
15	Sec. 109. HIGHWAY MAINTENANCE	
16	Full-time equated classified positions . . . 707.1	
17	State trunkline operations--707.1 FTE positions .	\$ <u>228,899,400</u>
18	GROSS APPROPRIATION	\$ 228,899,400
19	Appropriated from:	
20	Interdepartmental grants and intradepartmental	
21	transfers:	
22	IDT, intradepartmental charges	10,252,000
23	Special revenue funds:	
24	State trunkline fund	218,647,400
25	State general fund/general purpose	\$ 0
26	Sec. 110. ROAD AND BRIDGE PROGRAMS	
27	State trunkline federal aid and road and	
28	bridge construction	\$ 898,203,700
29	Local federal aid and road and bridge	
30	construction	195,827,000
31	Grants to local programs	33,000,000

1	Rail grade crossing	3,000,000
2	Critical bridge program	5,250,000
3	County road commissions	558,320,300
4	Cities and villages	<u>311,288,600</u>
5	GROSS APPROPRIATION	\$ 2,004,889,600
6	Appropriated from:	
7	Federal revenues:	
8	DOT-FHWA, highway research, planning, and	
9	construction	785,449,000
10	Special revenue funds:	
11	Local funds	5,000,000
12	Michigan transportation fund	910,608,900
13	State trunkline fund	303,831,700
14	State general fund/general purpose	\$ 0
15	Sec. 111. BLUE WATER BRIDGE	
16	Full-time equated classified positions	33.0
17	Blue water bridge operations--33.0 FTE positions .	\$ <u>10,083,500</u>
18	GROSS APPROPRIATION	\$ 10,083,500
19	Appropriated from:	
20	Special revenue funds:	
21	Blue water bridge fund	10,083,500
22	State general fund/general purpose	\$ 0
23	Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
24	Forest roads	\$ 5,040,000
25	Rural county urban system	2,500,000
26	Target industries/economic redevelopment	16,629,500
27	Urban county congestion	6,564,700
28	Rural county primary	<u>6,564,700</u>
29	GROSS APPROPRIATION	\$ 37,298,900
30	Appropriated from:	
31	Special revenue funds:	

1	Michigan transportation fund	33,298,900
2	State trunkline fund	4,000,000
3	State general fund/general purpose \$	0
4	Sec. 113. BUREAU OF AERONAUTICS	
5	Full-time equated classified positions 56.0	
6	Administration--56.0 FTE positions \$	6,732,100
7	Air service program	<u>1,000,000</u>
8	GROSS APPROPRIATION \$	7,732,100
9	Appropriated from:	
10	Special revenue funds:	
11	State aeronautics fund	7,732,100
12	State general fund/general purpose \$	0
13	Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION	
14	Full-time equated classified positions 109.5	
15	Administration--109.5 FTE positions \$	<u>8,650,700</u>
16	GROSS APPROPRIATION \$	8,650,700
17	Appropriated from:	
18	Special revenue funds:	
19	Comprehensive transportation fund	7,021,500
20	Michigan transportation fund	1,629,200
21	State general fund/general purpose \$	0
22	Sec. 115. BUS TRANSIT DIVISION; STATUTORY OPERATING	
23	Local bus operating \$	144,575,400
24	Nonurban operating/capital	<u>6,646,000</u>
25	GROSS APPROPRIATION \$	151,221,400
26	Appropriated from:	
27	Federal revenues:	
28	DOT, federal transit act	6,546,000
29	Special revenue funds:	
30	Comprehensive transportation fund	144,575,400
31	Local funds	100,000

1	State general fund/general purpose	\$	0
2	Sec. 116. INTERCITY PASSENGER AND FREIGHT		
3	Freight property management	\$	2,000,000
4	Detroit/Wayne County port authority		301,800
5	Intercity bus equipment		2,824,500
6	Rail passenger service		8,812,700
7	Freight preservation and development		7,500,000
8	Rail infrastructure loan program		2,000,000
9	Intercity bus service development		2,025,500
10	Marine passenger service		800,000
11	Terminal development		<u>1,000,000</u>
12	GROSS APPROPRIATION	\$	27,264,500
13	Appropriated from:		
14	Federal revenues:		
15	DOT, federal transit act		1,000,000
16	DOT-FRA, local rail freight assistance		2,000,000
17	DOT-FRA, rail passenger/HSGT		3,000,000
18	Special revenue funds:		
19	Comprehensive transportation fund		18,714,500
20	Intercity bus equipment fund		500,000
21	Local funds		50,000
22	Rail preservation fund		2,000,000
23	State general fund/general purpose	\$	0
24	Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT		
25	Specialized services	\$	3,600,100
26	Municipal credit program		2,000,000
27	Bus capital		29,400,000
28	Ride sharing		330,700
29	Van pooling		145,000
30	Bus property management		125,000
31	Service development and new technology		1,675,000

1	Planning grants	150,000
2	Audit settlements	200,000
3	Regional service coordination	1,000,000
4	Work first initiative	<u>3,979,200</u>
5	GROSS APPROPRIATION	\$ 42,605,000
6	Appropriated from:	
7	Federal revenues:	
8	DOT, federal transit act	18,600,000
9	Special revenue funds:	
10	Comprehensive transportation fund	23,855,000
11	Local funds	150,000
12	State general fund/general purpose	\$ 0
13	PART 2	
14	PROVISIONS CONCERNING APPROPRIATIONS	
15	GENERAL SECTIONS	
16	Sec. 201. (1) Pursuant to section 30 of article IX of the state	
17	constitution of 1963, total state spending under part 1 for fiscal year	
18	1999-2000 is \$1,963,300,400.00 and state appropriations to be paid to	
19	local units of government are as follows:	
20	DEPARTMENT OF TRANSPORTATION	
21	Local grant program	\$ 33,000,000
22	Economic development fund	20,669,400
23	Grants to cities and villages	311,288,600
24	Grants to county road commissions	558,320,300
25	Critical bridge program	5,250,000
26	Grants to regional planning councils	488,800
27	Local bus operating	144,575,400
28	Bus capital	12,000,000
29	Marine passenger service	800,000
30	Detroit/Wayne County port authority	301,800
31	Local ride sharing operating grants	330,700
32	Planning grants	150,000
33	Municipal credit program	2,000,000

1 Specialized services 3,600,100
 2 Total payments to local units of government . . \$ 1,092,775,100

3 (2) If it appears to the principal executive officer of a
 4 department or branch that state spending to local units of government
 5 will be less than the amount that was projected to be expended under
 6 subsection (1), the principal executive officer shall immediately give
 7 notice of the approximate shortfall to the state budget director.

8 Sec. 202. The expenditures and funding sources authorized under
 9 this bill are subject to the management and budget act, 1984 PA 431,
 10 MCL 18.1101 to 18.1594.

11 Sec. 203. (1) Beginning October 1, 1999, a hiring freeze is
 12 imposed on the state classified civil service. State departments and
 13 agencies are prohibited from hiring any new full-time state classified
 14 civil service employees and prohibited from filling any vacant state
 15 classified civil service positions. This hiring freeze does not apply
 16 to internal transfers of classified employees from one position to
 17 another within a department or to positions that are funded with 80% or
 18 more federal or restricted funds.

19 (2) The state budget director shall grant exceptions to this

1 hiring freeze when the state budget director believes that the hiring
2 freeze will result in rendering a state department or agency unable to
3 deliver basic services.

4 Sec. 204. The department of civil service shall bill departments
5 and agencies at the end of the first fiscal quarter for the 1% charge
6 authorized by section 5 of article XI of the state constitution of
7 1963. Payments shall be made for the total amount of the billing by
8 the end of the second fiscal quarter.

9 Sec. 205. As used in this bill:

- 10 (a) "CTF" means comprehensive transportation fund.
11 (b) "Department" means the Michigan department of transportation.
12 (c) "DOT" means the United States department of transportation.
13 (d) "DOT-FHWA" means DOT federal highway administration.
14 (e) "DOT-FRA" means DOT federal railroad administration.
15 (f) "DOT-FRA, rail passenger/HSGT" means DOT federal railroad
16 administration, high-speed ground transportation.
17 (g) "EDF" means economic development fund.
18 (h) "FTE" means full-time equated.
19 (i) "IDG" means interdepartmental grant.
20 (j) "IDT" means intradepartmental transfer.
21 (k) "MDTR" means Michigan department of treasury.
22 (l) "MTF" means Michigan transportation fund.
23 (m) "RIF" means recreation improvement fund.
24 (n) "SAF" means state aeronautics fund.
25 (o) "STF" means state trunkline fund.

26 Sec. 206. (1) In addition to the funds appropriated in part 1,
27 there is appropriated an amount not to exceed \$40,000,000.00 for
28 federal contingency funds. These funds are not available for
29 expenditure until they have been transferred to another line item in
30 this bill pursuant to section 393(2) of the management and budget act,
31 1984 PA 431, MCL 18.1393.

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

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

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

19 **DEPARTMENTAL SECTIONS**

20 Sec. 301. The department may establish a fee schedule and collect
21 fees sufficient to cover the costs to issue the permits that the
22 department is authorized by law to issue upon request, and for which
23 fees are not otherwise stipulated by law. A bridge authority shall
24 hold 3 public hearings on a change in any toll charged by the authority
25 at least 30 days before the toll change will become effective. Two of
26 the hearings shall be held within 5 miles of the bridge over which the
27 bridge authority has jurisdiction. One hearing shall be held in
28 Lansing.

29 Sec. 302. The department shall prepare an official transportation
30 map that shall be distributed without charge.

31 Sec. 303. If, as a requirement of bidding on a highway project,

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

7 Sec. 304. The department may permit space on public passenger
8 transportation properties to be occupied by public or private tenants
9 on a competitive market rate basis. The department may require that
10 revenue from the tenants be placed in an account to be used to pay the
11 costs to maintain and improve the property.

12 Sec. 305. The department shall aggressively pursue compliance with
13 contract specifications for construction and maintenance of state
14 highways. The department shall identify contractors who fail to meet
15 minimum standards and will actively pursue remuneration efforts.
16 Collections shall be deposited into the appropriate fund accounts.

17 Sec. 306. The department shall continue its efforts to reduce
18 administrative costs and provide the maximum funding possible for
19 construction projects.

20 Sec. 307. The department shall not use funds appropriated under
21 part 1 on behalf of a local governmental unit to pay the amount
22 required for that local governmental unit to participate in the federal
23 advance construct program.

24 Sec. 308. (1) At the close of the fiscal year ending September 30,
25 2000, any unencumbered and unexpended balance in the state trunkline
26 fund shall remain in the state trunkline fund and shall carry forward
27 and be appropriated for federal aid road and bridge programs for
28 projects contained in the annual state transportation program.

29 Sec. 309. (1) From funds appropriated in part 1, the department may
30 increase the state infrastructure bank program and grant or loan funds
31 in accordance with regulations of the state infrastructure bank

1 program of the United States department of transportation. The state
2 infrastructure bank is to be administered by the department for the
3 purpose of providing a revolving, self-sustaining resource for
4 financing transportation infrastructure projects.

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

14 Sec. 310. From funds appropriated in part 1, money received by the
15 department in payment for advanced purchase right-of-way, either as a
16 result of project programming from federal, state, local, or private
17 sources, or from sale as excess property, will be restricted for the
18 purchase of other advanced purchase right-of-way. At the end of the
19 fiscal year, unexpended funds shall remain in the advanced purchase
20 right-of-way fund and shall be used for this purpose in the succeeding
21 fiscal year.

22 Sec. 311. The department shall coordinate with the Michigan
23 information center on the development of right-of-way mapping books.

24 **FEDERAL**

25 Sec. 401. (1) Twenty-three to twenty-seven percent of the remaining
26 DOT-FHWA highway research, planning, and construction federal funds
27 appropriated in section 110 shall be allocated to programs administered
28 by local jurisdictions after deduction of the following:

29 (a) Funds that are specifically allocated at the federal level to
30 the state or local jurisdictions.

1 (b) Funds allocated by the department to the state and to local
2 jurisdictions through a competitive process.

3 (2) Federal aid excluded from the calculation of funding allocated
4 to programs administered by local jurisdictions in subsection (1)
5 includes, but is not limited to, congestion mitigation and air quality
6 funds, federal bridge funds, transportation enhancement funds, funds
7 distributed at the discretion of the United States secretary of
8 transportation, and congressionally designated funds.

9 (3) The funds shall be distributed to eligible local agencies for
10 transportation purposes in a manner consistent with state and federal
11 law.

12 (4) The department will attempt to allocate federal aid to highways
13 distributed to local jurisdictions in subsection (1) in a manner that
14 produces a 25% average allocation of applicable funds to programs for
15 local jurisdictions in each fiscal year through the fiscal year ending
16 September 30, 2005. Beginning in the fiscal year ending September 30,
17 1999, the average allocation of applicable federal aid to highway funds
18 to programs for local jurisdictions shall be the average of the amount
19 distributed to local jurisdictions under subsection (1) and similarly
20 calculated distributions in each succeeding fiscal year.

21 (5) The allocation percentage described in subsection (1) shall be
22 adjusted to reflect any voluntary agreements made by the department
23 with local jurisdictions regarding the transfer of federal aid eligible
24 roadways or the state buyout of local federal aid.

25 **MICHIGAN TRANSPORTATION FUND**

26 Sec. 501. The money received under the motor carrier act, 1933 PA
27 254, MCL 475.1 to 479.43, and not appropriated to the department of
28 consumer and industry services or the department of state police, is
29 deposited in the Michigan transportation fund.

30 Sec. 502. The department of treasury shall perform audits and make

1 investigations of the disposition of all state funds received by county
2 road commissions or county boards of commissioners, as applicable, and
3 cities and villages for transportation purposes to determine compliance
4 with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675.

5 County road commissions or county boards of commissioners, as
6 applicable, and cities and villages shall make available to the
7 department of treasury the pertinent records for the audit.

8 Sec. 503. The department shall reimburse a city or township that
9 has received prior approval to eliminate or cut roadside weeds due to
10 negligence on the part of a county or private contractor in performing
11 its contractual obligations and shall deduct that amount from the funds
12 appropriated to the county or paid to the contractor involved.

13 Sec. 504. (1) The funds appropriated in part 1 for the economic
14 development programs shall not lapse at the end of the fiscal year but
15 shall carry forward each fiscal year for the purposes for which
16 appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913.

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

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

26 Sec. 505. (1) Funds from the Michigan transportation fund (MTF)
27 shall be distributed to the comprehensive transportation fund (CTF),
28 the economic development fund (EDF), the recreational improvement fund
29 (RIF), and the state trunkline fund (STF), in accordance with this bill
30 and part 711 (recreation improvement fund) 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 bill, 1951 PA 51, MCL 247.651 to 247.675, and part 711 (recreation improvement fund) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

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

(b) Description of services financed with transportation funds.

(3) If the spending authorization accounts also are to be used for financing other than transportation fund services, the contracts shall include detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed and supporting rationale for the portion of costs allocated to transportation funds.

(4) At the close of each fiscal year and before April 1, each state agency shall submit a written report to the state budget director stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, and the amount of funds returned to the transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

Sec. 506. Of the amount appropriated in part 1 from the Michigan transportation fund to the department of state, \$186,600.00 represents the additional cost of issuing specialized license plates for veterans and national guard members, as included in 1989 PAs 16, 17, 18, and

1 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l. The department of
2 state shall prepare an annual report on the number of and the
3 additional costs associated with the veteran license plates to the
4 department, the state budget director, the house and senate fiscal
5 agencies, and the chairpersons of the house and senate appropriations
6 subcommittees on transportation. Any unspent funds based on these
7 annual reports shall lapse to the Michigan transportation fund and be
8 distributed in accordance with 1951 PA 51, MCL 247.651 to 247.675.

9 Sec. 507. (1) Of the amount appropriated in part 1 from the
10 Michigan transportation fund to the department of state, \$187,600.00
11 represents the additional cost of issuing generic license plates for
12 nonprofit fraternal or public service organizations, as included in
13 section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

14 (2) The department of state shall prepare an annual report on the
15 number of, and the additional costs associated with, the generic
16 license plates to the department, the state budget director, the house
17 and senate appropriations subcommittees on transportation, and the
18 house and senate fiscal agencies.

19 (3) Any unspent funds based on these annual reports shall lapse to
20 the Michigan transportation fund to be distributed in accordance with
21 1951 PA 51, MCL 247.651 to 247.675.

22 Sec. 508. (1) Commemorative and specialty license plate fee revenue
23 collected by the department of state and deposited into the Michigan
24 transportation fund is authorized for expenditure by the department of
25 state up to the amount of revenue collected, but not to exceed
26 \$9,353,300.00, the amount appropriated to the department of state in
27 part 1 to administer the commemorative and specialty license plate
28 program pursuant to section 225 of the Michigan vehicle code, 1949 PA
29 300, MCL 257.225.

30 (2) Commemorative and specialty license plate fee revenue collected
31 by the department of state and deposited in the Michigan

1 transportation fund in addition to that appropriated in part 1 to the
2 department of state shall be available for other Michigan
3 transportation fund-supported programs.

4 **STATE TRUNKLINE FUND**

5 Sec. 601. Of the amount of state funds appropriated for road and
6 bridge projects under this bill, the department, counties, and cities
7 and villages shall, whenever possible, secure warranties for contracted
8 construction work.

9 Sec. 602. From the amounts appropriated in part 1 for urban county
10 congestion from the transportation economic development fund for the
11 fiscal year ending September 30, 2000, \$2,000,000.00 may be used for
12 the purpose of matching, at not more than 50%, private and local funds
13 for the AAA Michigan road improvement program. The AAA Michigan road
14 improvement program, a public/private partnership, was established to
15 fund or assist funding road improvements in urban areas to reduce the
16 number and severity of crashes at high crash locations.

17 Sec. 603. From the amounts appropriated in part 1 for forest roads
18 from the transportation economic development fund in the fiscal year
19 ending September 30, 2000, \$40,000.00 shall be used for the purpose of
20 establishing truck inspection stations.

21 **COMPREHENSIVE TRANSPORTATION FUND**

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

1 the lease agreement are deposited in an intercity bus equipment fund
2 for appropriation for the repair of intercity bus equipment.

3 Sec. 702. Money that is received by the state as repayment for
4 loans made for rail or water freight capital projects, and as a result
5 of the sale of property or equipment used or projected to be used for
6 rail or water freight projects shall be deposited in the fund created
7 by section 17 of the state transportation preservation act of 1976,
8 1976 PA 295, MCL 474.67.

9 Sec. 703. The appropriation in part 1 for van pooling shall be
10 administered by the department through grants to eligible authorities
11 and eligible governmental agencies to insure coordination between van
12 and car pooling programs and the transit systems operated by the
13 eligible authorities and eligible governmental agencies.

14 Sec. 704. From the funds appropriated in part 1, \$2,000,000.00 is
15 allocated for a rail infrastructure loan program. The program shall
16 provide noninterest bearing loans for rail infrastructure improvements.
17 The department shall evaluate loan applications according to the
18 relative merit of the project in conjunction with program goals. The
19 transportation commission shall approve the loans. The loans shall
20 fund not less than 90% of the rail portion of project costs, and the
21 loan repayment period shall not exceed 10 years. Local governments,
22 railroads, and current or potential users of freight railroad services
23 are eligible applicants. At the end of the fiscal year, unexpended
24 funds shall remain in the rail infrastructure loan program and shall be
25 available to be allocated for the purposes of the program in the
26 succeeding fiscal year. Money that is received by this state as
27 repayment for rail infrastructure loans made pursuant to this program
28 shall remain within the rail infrastructure loan program and shall be
29 allocated for the purposes of the program. The state's total
30 contribution to the rail infrastructure loan program shall not exceed
31 \$15,000,000.00.

1 Sec. 705. Appropriated in part 1 is \$3,979,200.00 for the work
2 first initiative. Funding earmarked for the work first initiative is
3 in addition to current program support for this initiative.

4 Sec. 706. The Detroit/Wayne County port authority shall issue a
5 complete operations assessment and a financial disclosure statement to
6 the department by December 15, 2000.

7 Sec. 707. For the fiscal year ending September 30, 2000, each
8 eligible authority and each eligible governmental agency which provides
9 public transportation services in urbanized areas with a Michigan
10 population of less than or equal to 100,000 and nonurbanized areas
11 under section 5311 of title 49 of the United States Code, 49 U.S.C.
12 5311, shall receive a grant of up to 60% of its eligible operating
13 expenses. Each eligible authority and each eligible government agency
14 which provides public transportation services in urbanized areas with a
15 Michigan population of greater than 100,000 under section 5311 of title
16 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of
17 up to 50% of its eligible operating expenses.

18 Sec. 708. Of the funds appropriated in part 1 for local bus
19 operating and marine passenger services, the department shall not
20 allocate any funds to pay the operating cost of services provided by
21 water vehicles.

22 **AERONAUTICS FUND**

23 Sec. 801. At the close of the fiscal year ending September 30,
24 2000, any unobligated and unexpended balance in the state aeronautics
25 fund created in the aeronautics code of the state of Michigan, 1945 PA
26 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
27 and be appropriated by the legislature in the immediately succeeding
28 fiscal year.