

HB5651, As Passed House, March 21, 2002

House Bill No. 5651

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For Fiscal Year Ending
September 30, 2003

1	STATE TRANSPORTATION DEPARTMENT		
2	APPROPRIATION SUMMARY:		
3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	3,069.3	
5	GROSS APPROPRIATION.....	\$	3,124,514,600
6	Total interdepartmental grants and intradepartmental		
7	transfers.....		0
8	ADJUSTED GROSS APPROPRIATION.....	\$	3,124,514,600
9	Federal revenues:		
10	DOT-federal transit act.....		47,550,000
11	DOT-FHWA highway research, planning, and construction		936,526,100
12	DOT-FRA, local rail service assistance.....		100,000
13	DOT-FRA, Rail passenger/HSGT.....		3,000,000
14	Total federal revenues.....		987,176,100
15	Special revenue funds:		
16	Total local revenues.....		5,800,000
17	Total private revenues.....		0
18	Total local and private revenues.....		5,800,000
19	Michigan transportation fund.....		1,081,183,500
20	Michigan transportation fund - diesel tax package....		300
21	Economic development fund.....		57,315,000
22	Commercial highway fund.....		100
23	State trunkline fund.....		724,158,200
24	State aeronautics fund.....		7,107,900
25	Comprehensive transportation fund.....		245,156,000
26	Blue water bridge fund.....		13,617,500

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1	Intercity bus equipment fund.....		1,000,000
2	Rail preservation fund.....		2,000,000
3	Total other state restricted revenues.....		2,131,538,500
4	State general fund/general purpose.....	\$	0
5	Sec. 102. DEBT SERVICE		
6	State trunkline.....	\$	91,903,200
7	Economic development.....		13,928,900
8	Critical bridge.....		3,000,100
9	Blue Water Bridge.....		2,308,100
10	Airport safety and protection plan.....		100
11	Comprehensive transportation.....		<u>21,491,900</u>
12	GROSS APPROPRIATION.....	\$	132,632,300
13	Appropriated from:		
14	Federal revenues:		
15	DOT-FHWA highway research, planning, and construction		21,000,000
16	Special revenue funds:		
17	Comprehensive transportation fund.....		21,491,900
18	Michigan transportation fund.....		3,000,000
19	Michigan transportation fund - diesel tax package....		100
20	State trunkline fund.....		70,903,200
21	Blue Water Bridge fund.....		2,308,100
22	Economic development fund.....		13,928,900
23	State aeronautics fund.....		100
24	State general fund/general purpose.....	\$	0
25	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS		
26	MTF grant to department of environmental quality.....	\$	884,800

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1	MTF grant to department of state for collection of	
2	revenue and fees.....	70,000,000
3	MTF grant to department of state for commemorative	
4	and specialty plates.....	6,062,300
5	MTF grant to legislative auditor general.....	138,000
6	STF grant to department of attorney general.....	2,566,200
7	STF grant to department of civil service.....	2,000,000
8	STF grant to department of management and budget.....	1,133,900
9	STF grant to department of state police.....	6,853,300
10	STF grant to department of treasury.....	29,100
11	STF grant to legislative auditor general.....	404,200
12	SAF grant to department of attorney general.....	125,400
13	SAF grant to department of civil service.....	50,000
14	SAF grant to department of management and budget.....	27,900
15	SAF grant to department of treasury.....	64,100
16	SAF grant to legislative auditor general.....	17,100
17	CTF grant to department of attorney general.....	131,500
18	CTF grant to department of civil service.....	90,000
19	CTF grant to department of management and budget.....	49,900
20	CTF grant to department of treasury.....	5,300
21	CTF grant to legislative auditor general.....	<u>48,200</u>
22	GROSS APPROPRIATION.....	\$ 90,681,200
23	Appropriated from:	
24	Special revenue funds:	
25	Comprehensive transportation fund.....	324,900
26	Michigan transportation fund.....	77,085,100

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1	State aeronautics fund.....	284,500
2	State trunkline fund.....	12,986,700
3	State general fund/general purpose..... \$	0
4	Sec. 104. EXECUTIVE DIRECTION	
5	Full-time equated unclassified positions.....6.0	
6	Full-time equated classified positions.....33.3	
7	Unclassified salaries..... \$	532,200
8	State transportation commission (per diem payments)..	10,000
9	Commission audit--33.3 FTE positions.....	<u>2,983,000</u>
10	GROSS APPROPRIATION..... \$	3,525,200
11	Appropriated from:	
12	Special revenue funds:	
13	State trunkline fund.....	3,525,200
14	State general fund/general purpose..... \$	0
15	Sec. 105. ADMINISTRATIVE SERVICES	
16	Full-time equated classified positions.....106.0	
17	Administration--66.0 FTE positions..... \$	5,934,700
18	Property management.....	7,237,300
19	Human resources--31.0 FTE positions.....	2,478,300
20	Economic development administration--9.0 FTE	
21	positions.....	759,500
22	Worker's compensation.....	<u>2,966,000</u>
23	GROSS APPROPRIATION..... \$	19,375,800
24	Appropriated from:	
25	Special revenue funds:	
26	Economic development fund.....	500,700

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1	State aeronautics fund.....		657,400
2	Comprehensive transportation fund.....		1,599,000
3	Michigan transportation fund.....		77,100
4	State trunkline fund.....		16,541,600
5	State general fund/general purpose.....	\$	0
6	Sec. 106. INFORMATION TECHNOLOGY		
7	Information technology services and projects.....	\$	<u>26,396,400</u>
8	GROSS APPROPRIATION.....	\$	26,396,400
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA highway research, planning, and construction		640,000
12	Special revenue funds:		
13	Blue water bridge fund.....		43,900
14	Comprehensive transportation fund.....		240,900
15	Economic development fund.....		37,100
16	Michigan transportation fund.....		35,200
17	State aeronautics fund.....		134,500
18	State trunkline fund.....		25,264,800
19	State general fund/general purpose.....	\$	0
20	Sec. 107. BUREAU OF FINANCE AND ADMINISTRATION		
21	Full-time equated classified positions.....		237.0
22	Administration--237.0 FTE positions.....	\$	<u>19,758,200</u>
23	GROSS APPROPRIATION.....	\$	19,758,200
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan transportation fund.....		1,127,500

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1	State trunkline fund.....	18,630,700
2	State general fund/general purpose..... \$	0
3	Sec. 108. BUREAU OF TRANSPORTATION PLANNING	
4	Full-time equated classified positions.....	175.0
5	Administration--175.0 FTE positions..... \$	22,254,900
6	Grants to regional planning councils.....	<u>488,800</u>
7	GROSS APPROPRIATION..... \$	22,743,700
8	Appropriated from:	
9	Federal revenues:	
10	DOT-FHWA highway research, planning, and construction	14,566,800
11	Special revenue funds:	
12	State aeronautics fund.....	200,800
13	Comprehensive transportation fund.....	1,168,000
14	Michigan transportation fund.....	4,760,900
15	State trunkline fund.....	2,047,200
16	State general fund/general purpose..... \$	0
17	Sec. 109. BUREAU OF HIGHWAYS	
18	Full-time equated classified positions.....	1,625.4
19	Engineering operations--799.4 FTE positions..... \$	31,796,800
20	Maintenance operations--78.0 FTE positions.....	7,071,200
21	Program services--748.0 FTE positions.....	<u>39,004,800</u>
22	GROSS APPROPRIATION..... \$	77,872,800
23	Appropriated from:	
24	Federal revenues:	
25	DOT-FHWA highway research, planning, and construction	5,000,000
26	Special revenue funds:	

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1	Michigan transportation fund.....		4,155,900
2	State trunkline fund.....		68,716,900
3	State general fund/general purpose.....	\$	0
4	Sec. 110. HIGHWAY MAINTENANCE		
5	Full-time equated classified positions.....		699.6
6	State trunkline operations--699.6 FTE positions.....	\$	99,057,900
7	Contract operations.....		<u>133,853,200</u>
8	GROSS APPROPRIATION.....	\$	232,911,100
9	Appropriated from:		
10	Special revenue funds:		
11	State trunkline fund.....		232,911,100
12	State general fund/general purpose.....	\$	0
13	Sec. 111. ROAD AND BRIDGE PROGRAMS		
14	State trunkline federal aid and road and bridge		
15	construction.....	\$	934,068,300
16	Local federal aid and road and bridge construction...		215,132,000
17	Grants to local programs.....		33,000,000
18	Rail grade crossing.....		3,000,000
19	Critical bridge fund.....		29,750,000
20	County road commissions.....		608,759,600
21	Cities and villages.....		<u>339,410,800</u>
22	GROSS APPROPRIATION.....	\$	2,163,120,700
23	Appropriated from:		
24	Federal revenues:		
25	DOT-FHWA highway research, planning, and construction		895,319,300
26	Special revenue funds:		

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1	Local funds.....		5,000,000
2	Blue Water Bridge fund.....		1,000,000
3	Commercial highway fund.....		100
4	Michigan transportation fund.....		989,170,300
5	Michigan transportation fund - diesel tax package....		200
6	State trunkline fund.....		272,630,800
7	State general fund/general purpose.....	\$	
8	Sec. 112. BLUE WATER BRIDGE		
9	Full-time equated classified positions.....	33.0	
10	Blue Water Bridge operations--33.0 FTE positions.....	\$	<u>10,265,500</u>
11	GROSS APPROPRIATION.....	\$	10,265,500
12	Appropriated from:		
13	Special revenue funds:		
14	Blue Water Bridge fund.....		10,265,500
15	State general fund/general purpose.....	\$	
16	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
17	Forest roads.....	\$	5,040,000
18	Rural county urban system.....		2,500,000
19	Target industries/economic redevelopment.....		15,904,100
20	Urban county congestion.....		9,702,100
21	Rural county primary.....		<u>9,702,100</u>
22	GROSS APPROPRIATION.....	\$	42,848,300
23	Appropriated from:		
24	Special revenue funds:		
25	Economic development fund.....		42,848,300
26	State general fund/general purpose.....	\$	0

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1	Sec. 114. BUREAU OF AERONAUTICS		
2	Full-time equated classified positions.....	56.0	
3	Administration--56.0 FTE positions.....	\$	5,530,600
4	Air service program.....		<u>300,000</u>
5	GROSS APPROPRIATION.....	\$	5,830,600
6	Appropriated from:		
7	Special revenue funds:		
8	State aeronautics fund.....		5,830,600
9	State general fund/general purpose.....	\$	0
10	Sec. 115. BUREAU OF URBAN AND PUBLIC TRANSPORTATION		
11	Full-time equated classified positions.....	104.0	
12	Administration--104.0 FTE positions.....	\$	<u>8,725,400</u>
13	GROSS APPROPRIATION.....	\$	8,725,400
14	Appropriated from:		
15	Special revenue funds:		
16	Comprehensive transportation fund.....		6,953,900
17	Michigan transportation fund.....		1,771,500
18	State general fund/general purpose.....	\$	0
19	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
20	Local bus operating.....	\$	165,000,000
21	Nonurban operating/capital.....		<u>10,300,000</u>
22	GROSS APPROPRIATION.....	\$	175,300,000
23	Appropriated from:		
24	Federal revenues:		
25	DOT-federal transit act.....		10,100,000
26	Special revenue funds:		

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1	Comprehensive transportation fund.....		165,000,000
2	Local funds.....		200,000
3	State general fund/general purpose.....	\$	0
4	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
5	Freight property management.....	\$	1,500,000
6	Detroit/Wayne County port authority.....		500,000
7	Intercity bus equipment.....		3,000,000
8	Rail passenger service.....		12,000,000
9	Freight preservation and development.....		5,692,900
10	Rail infrastructure loan program.....		100,000
11	Intercity bus service development.....		2,850,000
12	Marine passenger service.....		800,000
13	Terminal development.....		<u>2,884,800</u>
14	GROSS APPROPRIATION.....	\$	29,327,700
15	Appropriated from:		
16	Federal revenues:		
17	DOT-federal transit act.....		1,500,000
18	DOT-FRA, local rail service assistance.....		100,000
19	DOT-FRA, rail passenger/HSGT.....		3,000,000
20	Special revenue funds:		
21	Rail preservation fund.....		2,000,000
22	Intercity bus equipment fund.....		1,000,000
23	Comprehensive transportation fund.....		21,677,700
24	Local funds.....		50,000
25	State general fund/general purpose.....	\$	0
26	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		

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1	Specialized services.....	\$	3,939,500
2	Municipal credit program.....		2,000,000
3	Bus capital.....		48,554,500
4	Ride sharing.....		330,700
5	Van pooling.....		195,000
6	Bus property management.....		50,000
7	Service development and new technology.....		1,550,000
8	Planning grants.....		80,000
9	Audit settlements.....		150,000
10	Regional service coordination.....		500,000
11	Work first initiative.....		<u>5,850,000</u>
12	GROSS APPROPRIATION.....	\$	63,199,700
13	Appropriated from:		
14	Federal revenues:		
15	DOT-federal transit act.....		35,950,000
16	Special revenue funds:		
17	Comprehensive transportation fund.....		26,699,700
18	Local funds.....		550,000
19	State general fund/general purpose.....	\$	0

20

21

22

PART 2

23

PROVISIONS CONCERNING APPROPRIATIONS

24 **GENERAL SECTIONS**

25

Sec. 201. Pursuant to section 30 of article IX of the state

26

constitution of 1963, total state spending from state resources under

27

part 1 for fiscal year 2002-2003 is \$2,131,538,500.00 and state spending

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1 from state resources to be paid to local units of government for fiscal
2 year 2002-2003 is \$1,201,258,100.00. The itemized statement below iden-
3 tifies appropriations from which spending to units of local government
4 will occur:

5 DEPARTMENT OF TRANSPORTATION

6	Local grant program.....	\$	33,000,000
7	Economic development fund.....		26,944,200
8	Grants to cities and villages.....		339,410,800
9	Grants to county road commissions.....		608,759,600
10	Critical bridge fund.....		5,750,000
11	Grants to regional planning councils.....		488,800
12	Local bus operating.....		165,000,000
13	Bus capital.....		14,254,500
14	Marine passenger service.....		800,000
15	Detroit/Wayne County port authority.....		500,000
16	Local ride sharing operating grants.....		330,700
17	Planning grants.....		80,000
18	Municipal credit program.....		2,000,000
19	Specialized services.....		<u>3,939,500</u>
20	Total payments to local units of government.....	\$	1,201,258,100

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

23 Sec. 203. As used in this act:

24 (a) "CTF" means comprehensive transportation fund.

25 (b) "Department" means the department of transportation.

26 (c) "DOT" means the United States department of transportation.

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- 1 (d) "DOT-FHWA" means DOT, federal highway administration.
2 (e) "DOT-FRA" means DOT, federal railroad administration.
3 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
4 administration, high-speed ground transportation.
5 (g) "EDF" means economic development fund.
6 (h) "FTE" means full-time equated.
7 (i) "MTF" means Michigan transportation fund.
8 (j) "RIF" means recreation improvement fund.
9 (k) "SAF" means state aeronautics fund.
10 (l) "STF" means state trunkline fund.

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

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

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

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1 vacancy. The state budget director shall report by the thirtieth of each
2 month to the chairpersons of the senate and house of representatives
3 standing committees on appropriations the number of exceptions to the
4 hiring freeze approved during the previous month and the reasons to jus-
5 tify the exception.

6 Sec. 206. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$100,000,000.00 for federal
8 contingency funds. These funds are not available for expenditure until
9 they have been transferred to another line item in this act pursuant to
10 section 393(2) of the management and budget act, 1984 PA 431,
11 MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is appro-
13 priated an amount not to exceed \$40,000,000.00 for state restricted con-
14 tingency funds. These funds are not available for expenditure until they
15 have been transferred to another line item in this act pursuant to sec-
16 tion 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

17 (3) In addition to the funds appropriated in part 1, there is appro-
18 priated an amount not to exceed \$1,000,000.00 for local contingency
19 funds. These funds are not available for expenditure until they have
20 been transferred to another line item in this act pursuant to section
21 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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1 Sec. 207. At least 90 days before beginning any effort to
2 privatize, the department shall submit a complete project plan to the
3 appropriate senate and house of representatives appropriations subcommit-
4 tees and the senate and house fiscal agencies. The plan shall include
5 the criteria under which the privatization initiative will be evaluated.
6 The evaluation shall be completed and submitted to the appropriate senate
7 and house of representatives appropriations subcommittees and the senate
8 and house fiscal agencies within 30 months. As used in this section,
9 "privatize" or "privatization" means the transfer of state highway main-
10 tenance functions or activities currently performed by department forces,
11 or by boards of county road commissioners, county boards of commission-
12 ers, or local units of government under contract with the department, to
13 private contractors.

14 Sec. 208. Unless otherwise specified, the department shall use the
15 internet to fulfill the reporting requirements of this act. This may
16 include transmission of reports via electronic mail to the recipients
17 identified for each reporting requirement or it may include placement of
18 reports on an internet or intranet site. Quarterly, the department shall
19 provide to the senate and house appropriations subcommittees, the state
20 budget office, and the senate and house fiscal agencies an electronic and
21 paper copy listing of the reports submitted during the most recent
22 3-month period along with the internet or intranet site of each report,
23 if any.

24 Sec. 209. Funds appropriated in part 1 shall not be used for the
25 purchase of foreign goods or services, or both, if competitively priced
26 and of comparable quality American goods or services, or both, are

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1 available. The department shall give priority to the purchase of
2 Michigan goods and services.

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

10 Sec. 259. From the funds appropriated in part 1 for information
11 technology, the department shall pay user fees to the department of
12 information technology for technology related services and projects. The
13 user fees shall be subject to provisions of an interagency agreement
14 between the department and the department of information technology.

15 Sec. 260. Amounts appropriated in part 1 for information technology
16 may be designated as work projects and carried forward to support tech-
17 nology projects under the direction of the department of information
18 technology. Funds designated in this manner are not available for expen-
19 diture until approved as work projects under section 451a of the manage-
20 ment and budget act, 1984 PA 431, MCL 18.1451a.

21 **DEPARTMENTAL SECTIONS**

22 Sec. 301. (1) The department may establish a fee schedule and col-
23 lect fees sufficient to cover the costs to issue the permits that the
24 department is authorized by law to issue upon request, and for which fees
25 are not otherwise stipulated by law. All permit fees are nonrefundable

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1 application fees and shall be credited to the state trunkline fund to
2 recover the direct and indirect costs of receiving, reviewing, and pro-
3 cessing the requests.

4 (2) A bridge authority shall hold 3 public hearings on a change in
5 any toll charged by the authority at least 30 days before the toll change
6 will become effective. Two of the hearings shall be held within 5 miles
7 of the bridge over which the bridge authority has jurisdiction. One
8 hearing shall be held in Lansing.

9 Sec. 302. The department shall prepare an official transportation
10 map that shall be distributed without charge. Each legislator shall
11 receive a quantity of maps as determined by the legislative council.
12 However, each representative shall receive 3 times the number of maps of
13 each senator.

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

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

26 Sec. 305. The department may permit space on public passenger
27 transportation properties to be occupied by public or private tenants on

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1 a competitive market rate basis. The department may require that revenue
2 from the tenants be placed in an account to be used to pay the costs to
3 maintain and improve the property.

4 Sec. 306. From the funds appropriated in part 1, the auditor gen-
5 eral shall conduct an audit of charges to transportation funds by state
6 departments. The auditor general shall prepare a detailed report, with
7 recommendations and conclusions, including a list of services charged to
8 transportation funds, the appropriateness of those charges, and the cost
9 allocation methodologies used in determining the level of funding, and
10 provide the report, upon request, to any member of the senate and house
11 of representatives and to the senate and house fiscal agencies by March
12 1, 2003.

13 Sec. 307. Before February 1 of each year, the department will pro-
14 vide to the legislature, the state budget office, and the house and
15 senate fiscal agencies its rolling 5-year plan listing by county or by
16 county road commission all highway construction projects for the fiscal
17 year and all expected projects for the ensuing fiscal years.

18 Sec. 308. The department and local road agencies that receive
19 appropriations under this act shall pursue compliance with contract spec-
20 ifications for construction and maintenance of state highways and local
21 roads and streets. Work shall not be accepted and paid for until it com-
22 plies with contract requirements. Contractors with unsatisfactory per-
23 formance ratings shall be restricted from future bidding through the pre-
24 qualification process established by the department or a local road
25 agency. The department, county road commissions, and cities and villages
26 shall report to the house of representatives and senate appropriations

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1 subcommittees on transportation on their respective activities under this
2 section.

3 Sec. 309. The department shall continue its efforts to reduce
4 administrative costs and provide the maximum funding possible for con-
5 struction projects.

6 Sec. 310. The department shall provide in a timely manner copies of
7 the agenda and approved minutes of monthly transportation commission
8 meetings to the members of the house and senate appropriations subcommit-
9 tees on transportation, the house and senate fiscal agencies, and the
10 state budget director.

11 Sec. 311. The department shall not use funds appropriated under
12 part 1 on behalf of a local governmental unit to pay the amount required
13 for that local governmental unit to participate in the federal advance
14 construct program.

15 Sec. 312. At the close of the fiscal year ending September 30,
16 2003, any unencumbered and unexpended balance in the state trunkline fund
17 shall remain in the state trunkline fund and shall carry forward and is
18 appropriated for federal aid road and bridge programs for projects con-
19 tained in the annual state transportation program.

20 Sec. 313. (1) From funds appropriated in part 1, the department may
21 increase a state infrastructure bank program and grant or loan funds in
22 accordance with regulations of the state infrastructure bank program of
23 the United States department of transportation. The state infrastructure
24 bank is to be administered by the department for the purpose of providing
25 a revolving, self-sustaining resource for financing transportation infra-
26 structure projects.

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

10 Sec. 317. Funds appropriated in part 1 for state transportation
11 commission per diem payments shall provide daily per diem payments of
12 \$100.00 to each of the 6 appointed members of the state transportation
13 commission for all scheduled state transportation commission meetings.

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

19 Sec. 322. Not later than January 1, 2003, the department shall fill
20 all vacant bridge inspector positions. Not later than February 15, 2003,
21 the department shall report to the senate and house of representatives
22 appropriations subcommittees on transportation the number of full-time
23 and part-time positions assigned to bridge inspection activities, the
24 number of vacancies, and any plans to fill the vacancies.

25 Sec. 324. From the funds appropriated in part 1, up to \$700,000.00
26 from the state trunkline fund shall be used for enhanced construction
27 zone traffic law enforcement and the "give 'em a brake" campaign. The

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1 funding shall be used to reimburse law enforcement agencies for overtime
2 costs associated with construction zone traffic enforcement. The funding
3 shall be provided based on approved memoranda of understanding between
4 the department and participating law enforcement agencies.

5 Sec. 329. It is the intent of the legislature that the debt service
6 costs on transportation economic development fund bonds issued after
7 January 1, 2001, shall be paid entirely from the funds designated for
8 targeted industries projects, as described in section 11(3)(a) of 1987 PA
9 231, MCL 247.911.

10 Sec. 334. The department shall pursue grants from federal or other
11 sources to study the use of power sources other than gasoline or diesel
12 fuel for the propulsion of motor vehicles.

13 Sec. 335. The department shall work in collaboration with the
14 family independence agency regarding the summer youth programs. The pro-
15 grams shall seek to employ inner city youth in street and highway beauti-
16 fication projects.

[Sec. 349. The department shall develop a plan to implement the policy
of the state transportation commission on noise abatement. The department
shall report on its efforts to implement the commission's policy to the house
and senate appropriations subcommittees on transportation and to the house
and senate fiscal agencies on or before October 1, 2002.]

17 Sec. 350. (1) The established overall disadvantaged business enter-
18 prise goal shall identify the relative availability of disadvantaged
19 business enterprises based on evidence of ready, willing, and able disad-
20 vantaged business enterprises relative to all firms within the
21 department's marketplace. The overall annual goal shall reflect the
22 department's determination of the level of disadvantaged business enter-
23 prise participation which could be expected absent the effects of
24 discrimination. The department's methodology to develop the overall dis-
25 advantaged business enterprise goal will be announced in electronic and
26 print media to ensure broad public participation in the goal-setting
27 process in accordance with 49 C.F.R. 26.45.

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1 (2) The department shall work to coordinate a meeting prior to the
2 annual construction season between the road construction industry and the
3 Michigan minority business development council.

4 Sec. 351. From the funds appropriated in part 1, up to
5 \$1,500,000.00 shall be made available for additional lane closure incen-
6 tives on the M-6/US-131 project for calendar year 2003. Funding may be
7 provided from any excess funds available under the M-6 project.

8 Sec. 352. (1) Each county road commission, or in the case of a
9 charter county with a population of 2,000,000 or more with an elected
10 county executive that does not have a board of county road commissioners,
11 the county executive, shall prepare, and present to the department, a map
12 illustrating the all-season county road network under its jurisdiction.
13 The county road commissions shall record this information on an official
14 county highway map provided to them by the department. The department
15 shall provide each county road commission with 3 official copies of their
16 county road highway map on or before October 1, 2003.

17 (2) After compiling this information for all Michigan counties, the
18 department shall prepare a report on the current all-season road network
19 within the state. This report shall illustrate the current all-season
20 road network under state and county control, identify contiguity gaps in
21 this network, and suggest ways to improve connectivity on the current
22 all-season network. This report shall be presented to the house and
23 senate appropriations subcommittees on transportation, the house and
24 senate transportation policy committees, and the house and senate fiscal
25 agencies on or before October 1, 2004.

26 Sec. 353. The department shall review its contractor payment
27 process and use its best efforts to ensure that all prime contractors are

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1 paid promptly. The department shall not reduce a contractor's
2 prequalification rating when the contractor did not receive prompt and
3 timely payments on contracted work from the department or, if working as
4 a subcontractor, from the prime contractor.

5 Sec. 355. The department shall design and build at least 1 demon-
6 stration road preservation project using an asphalt pavement design mix-
7 ture including recycled or scrap tires. For purposes of the demonstra-
8 tion, 1 of these projects may be constructed on a local road requiring
9 repaving. The department shall report to the house and senate appropria-
10 tions subcommittees on transportation and the house and senate fiscal
11 agencies by March 1, 2003 on its findings.

12 FEDERAL

13 Sec. 401. When the department receives authorization from the fed-
14 eral government to commit transportation funds pursuant to federal appro-
15 priations, it shall present to the senate and house of representatives
16 appropriations transportation subcommittees and the senate and house
17 fiscal agencies, the federal amounts and categories authorized and the
18 department's recommendation for distribution of these funds. If a recom-
19 mendation or recommendations are not disapproved within 30 business days
20 by either the senate or house of representatives appropriations transpor-
21 tation subcommittees, then the recommendation or recommendations shall be
22 considered as approved. If either the senate or house of representatives
23 appropriations transportation subcommittee disapproves the proposed dis-
24 tribution, then the senate and house of representatives appropriations
25 transportation subcommittees and the department shall hold a joint

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1 meeting on the issue to arrive at a final distribution. If no agreement
2 is reached between the parties, the department's distribution shall
3 stand.

4 Sec. 402. (1) Twenty-three to twenty-seven percent of the DOT-FHWA
5 highway research, planning, and construction federal funds appropriated
6 in part 1 shall be allocated to programs administered by local jurisdic-
7 tions after deduction of the following:

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

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

12 (2) Federal aid excluded from the calculation of funding allocated
13 to programs administered by local jurisdictions in subsection (1)
14 includes, but is not limited to, congestion mitigation and air quality
15 funds, federal bridge funds, transportation enhancement funds, funds dis-
16 tributed at the discretion of the United States secretary of transporta-
17 tion, and congressionally designated funds.

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

21 (4) Federal aid to highways allocated to local jurisdictions in sub-
22 section (1) shall be distributed in a manner that produces a 25% average
23 allocation of applicable funds to programs for local jurisdictions in
24 each fiscal year through the fiscal year ending September 30, 2005. The
25 average allocation of applicable federal aid to highway funds to programs
26 for local jurisdictions shall be the average of the amount distributed to

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1 local jurisdictions under subsection (1) and similarly calculated
2 distributions in each succeeding fiscal year.

3 (5) The allocation percentage described in subsection (1) shall be
4 adjusted to reflect any voluntary agreements made by the department with
5 local jurisdictions regarding the transfer of federal aid eligible road-
6 ways or the state buyout of local federal aid.

7 (6) The department shall not borrow against the critical bridge fund
8 for the first 9 months of the fiscal year.

9 (7) The federal funds appropriated in part 1 for local federal aid
10 and road and bridge construction, to eligible local road agencies, may be
11 transferred through a voluntary buyout agreement made between eligible
12 local road agencies.

13 Sec. 404. It is the intent of the legislature that \$3,750,000.00 in
14 federal high priority project funds designated in the transportation
15 equity act for the 21st century, Public Law 105-178, 112 Stat. 107, to
16 improve I-94 in Kalamazoo County be expended by the department for pre-
17 liminary engineering and design work related to rehabilitation and capac-
18 ity improvements to I-94 between US-131 and Sprinkle road in Kalamazoo
19 County.

20 Sec. 405. Of the funds appropriated in part 1 for the critical
21 bridge program, \$24,000,000.00 in federal highway bridge replacement and
22 rehabilitation program funds are allocated to the critical bridge fund
23 for the purpose of repairing or replacing bridges in the local off-system
24 categories and local on-system categories. These funds shall be excluded
25 from calculation of funding allocated to programs administered by local
26 jurisdictions required in section 402.

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1 **MICHIGAN TRANSPORTATION FUND**

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

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

14 Sec. 503. (1) The funds appropriated in part 1 for the economic
15 development and critical bridge programs shall not lapse at the end of
16 the fiscal year but shall carry forward each fiscal year for the purposes
17 for which appropriated in accordance with 1987 PA 231, MCL 247.901 to
18 247.913, and section 11b of 1951 PA 51, MCL 247.661b.

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

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

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1 (4) None of the funds statutorily dedicated to the transportation
2 economic development fund and critical bridge fund shall be diverted to
3 other projects.

4 Sec. 504. (1) Funds from the Michigan transportation fund (MTF)
5 shall be distributed to the comprehensive transportation fund (CTF), the
6 economic development fund (EDF), the recreational improvement fund (RIF),
7 and the state trunkline fund (STF), in accordance with this act and part
8 711 of the natural resources and environmental protection act, 1994
9 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in
10 this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural
11 resources and environmental protection act, 1994 PA 451, MCL 324.71101 to
12 324.71108.

13 (2) The amounts appropriated and transferred to various state agen-
14 cies from part 1 shall be expended from the transportation funds pursuant
15 to annual contracts between the department and state agencies providing
16 tax and fee collection and other services applicable to transportation
17 funds. The contracts shall be executed prior to the transfer of these
18 funds. The contracts shall provide, but are not limited to, the follow-
19 ing data applicable to each state agency:

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

21 (b) Description of services financed with transportation funds.

22 (c) Detailed cost allocation methods that are appropriate to the
23 type of services being provided and the activities financed with trans-
24 portation funds.

25 (4) At the close of each fiscal year and before April 1, each state
26 agency receiving an interdepartment and statutory contract from the
27 department shall submit a written report to the department, the state

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1 budget director, and the house and senate fiscal agencies stating by
2 spending authorization account the amount of estimated funds contracted
3 with the department, the amount of funds expended, and the amount of
4 funds returned to the transportation funds. A copy of the report shall
5 be submitted to the auditor general and the report shall be subject to
6 audit by the auditor general.

7 Sec. 505. (1) Of the amount appropriated in part 1 from the
8 Michigan transportation fund to the department of state, \$186,600.00 rep-
9 resents the additional cost of issuing specialized license plates for
10 veterans and national guard members, as included in sections 803i, 803j,
11 803k, and 803l of the Michigan vehicle code, 1949 PA 300, MCL 257.803i,
12 257.803j, 257.803k, and 257.803l, and \$187,600.00 represents the addi-
13 tional cost of issuing generic license plates for nonprofit fraternal or
14 public service organizations, as included in section 803m of the Michigan
15 vehicle code, 1949 PA 300, MCL 257.803m.

16 (2) In addition, commemorative and specialty license plate fee reve-
17 nue collected by the department of state and deposited into the Michigan
18 transportation fund is authorized for expenditure by the department of
19 state up to the amount of revenue collected, but not to exceed
20 \$2,147,300.00 for commemorative plates and \$3,915,000.00 for specialty
21 plates. These amounts are appropriated to the department of state in
22 part 1 to administer the commemorative and specialty license plate pro-
23 grams pursuant to section 225 of the Michigan vehicle code, 1949 PA 300,
24 MCL 257.225.

25 (3) The department of state shall prepare an annual report on the
26 number of, and the additional costs associated with, these license plate
27 programs to the department, the state budget director, the house and

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1 senate fiscal agencies, and the chairpersons of the house of
2 representatives and senate appropriations subcommittees on
3 transportation.

4 (4) Any unspent funds based on these annual reports shall lapse to
5 the Michigan transportation fund and be distributed in accordance with
6 1951 PA 51, MCL 247.651 to 247.675.

7 **STATE TRUNKLINE FUND**

8 Sec. 601. The department shall work with the road construction
9 industry to develop performance and road construction warranties for con-
10 struction contracts. The development of warranties shall include warran-
11 ties on materials, workmanship, performance criteria, and design/build
12 projects. The department will report by September 30, 2003 to the house
13 of representatives and senate appropriations subcommittees on transporta-
14 tion, the state budget office, and the house and senate fiscal agencies
15 on the status of efforts to develop performance and road construction
16 warranties.

17 Sec. 602. If the department uses manufactured pipe for road con-
18 struction drainage, the department shall require that pipe used under
19 certain load-bearing conditions beneath the roadway meet the standards
20 established by the American society for testing and materials (ASTM) or
21 American association of state highway and transportation officials
22 (AASHTO). The department may also use the mandrel test for manufactured
23 pipe 60 days after installation and provide a summary of the results of
24 these inspections to the house of representatives and senate

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1 appropriations subcommittees on transportation and house and senate
2 fiscal agencies.

3 Sec. 603. It is the intent of the legislature that the department
4 shall use traffic congestion as 1 of the criteria in determining the pri-
5 orities for designating which roads shall be remediated in its 5-year
6 road plan, which must be submitted on or before February 1, 2003.
7 Criteria for evaluating traffic congestion shall include, but not be
8 limited to, coordination with local, county, and regional planning,
9 improvement in traffic operations, improvement in physical roadway condi-
10 tions, accident reduction, and coordination with area public transporta-
11 tion planning.

12 Sec. 607. Funding shall be made available for the remediation of
13 unsafe pedestrian crossings on state highways. Funds from this appropri-
14 ation may be expended only as matching funds for up to 50% of project
15 cost with additional project funding to be provided by local units of
16 government or through private contributions. Selected projects shall
17 require the approval of the transportation commission. Maintenance of
18 pedestrian overpasses constructed from funds made available through this
19 appropriation shall be the responsibility of a local unit of government
20 or public or private institutions of higher education.

21 Sec. 608. From the amounts appropriated in part 1 for forest roads
22 from the transportation economic development fund in the fiscal year
23 ending September 30, 2003, \$40,000.00 shall be used for the purpose of
24 establishing 2 additional truck inspection stations. The department
25 shall work directly with representatives of the timber industry to edu-
26 cate truck drivers on the use of the stations. The department shall
27 report on the status of this program.

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1 Sec. 610. It is the intent of the legislature that the department
2 have as a priority the removal of dead deer and other large animal
3 remains from the traveled portion and shoulder of state highways. The
4 department, and counties that perform state highway maintenance under
5 contract, shall remove animal remains, wherever practicable, away from
6 the traveled portion and shoulder of state highways.

7 Sec. 611. From the funds appropriated in part 1, funding from the
8 state trunkline fund shall be used to provide for an east-west all-season
9 road through Barry County.

10 **COMPREHENSIVE TRANSPORTATION FUND**

11 Sec. 701. Money that is received by the state as a lease payment
12 for state-owned intercity bus equipment is not money to be deposited in
13 the comprehensive transportation fund under section 10b of 1951 PA 51,
14 MCL 247.660b, but is money that is deposited in an intercity bus equip-
15 ment fund for appropriation for the purchase and repair of intercity bus
16 equipment. Proceeds received by the state from the sale of intercity bus
17 equipment are deposited in an intercity bus equipment fund for appropria-
18 tion for the purchase and repair of intercity bus equipment. Security
19 deposits from the lease of state-owned intercity bus equipment not
20 returned to the lessee of the equipment under terms of the lease agree-
21 ment are deposited in an intercity bus equipment fund for appropriation
22 for the repair of intercity bus equipment.

23 Sec. 702. Money that is received by the state as repayment for
24 loans made for rail or water freight capital projects, and as a result of
25 the sale of property or equipment used or projected to be used for rail

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1 or water freight projects shall be deposited in the fund created by
2 section 17 of the state transportation preservation act of 1976, 1976
3 PA 295, MCL 474.67.

4 Sec. 703. After receiving notification from a railroad company pur-
5 suant to section 8 of the state transportation preservation act of 1976,
6 1976 PA 295, MCL 474.58, the department shall immediately notify the
7 house of representatives and senate appropriations subcommittees on
8 transportation and the state budget office that the railroad company has
9 filed with the appropriate governmental agencies for abandonment of a
10 line.

11 Sec. 704. The department shall submit a report to both the house
12 and senate appropriations subcommittees on transportation and the house
13 and senate fiscal agencies by March 1 of each year outlining its efforts
14 to develop a high-speed rail program as well as efforts to obtain funding
15 for this purpose. The report shall include recommendations on
16 self-sustaining revenue sources to increase awareness and include efforts
17 to increase ridership.

18 Sec. 705. From the funds appropriated in part 1, \$100,000.00 is
19 allocated for a rail infrastructure loan program. The program shall pro-
20 vide noninterest-bearing loans for rail infrastructure improvements. The
21 department shall evaluate loan applications according to the relative
22 merit of the project in conjunction with program goals. The transporta-
23 tion commission shall approve the loans. The loans shall fund not more
24 than 90% of the rail portion of project costs, and the loan repayment
25 period shall not exceed 10 years. Local governments, railroads, and cur-
26 rent or potential users of freight railroad services are eligible
27 applicants. At the end of the fiscal year, unexpended funds shall remain

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1 in the rail infrastructure loan program and shall be available to be
2 allocated for the purposes of the program in the succeeding fiscal year.
3 Money that is received by this state as repayment for rail infrastructure
4 loans made pursuant to this program shall remain within the rail infra-
5 structure loan program and shall be allocated for the purposes of the
6 program. The state's total contribution to the rail infrastructure loan
7 program shall not exceed \$15,000,000.00.

8 Sec. 706. The Detroit/Wayne County port authority shall issue a
9 complete operations assessment and a financial disclosure statement. The
10 operations assessment shall include operational goals for the next 5
11 years and recommendations to improve land acquisition and development
12 efficiency. The report shall be completed and submitted to the house of
13 representatives and senate appropriations subcommittees on transporta-
14 tion, the state budget office, and the house and senate fiscal agencies
15 by February 15, 2003. In addition to an annual financial audit, the
16 Detroit/Wayne County port authority shall have a performance audit of its
17 operations and activities by December 30, 2002. The performance audit
18 shall be in conformance with generally accepted governmental audit
19 standards. Results of the audit shall be communicated to the house and
20 senate appropriations committees and the house and senate fiscal
21 agencies.

22 Sec. 707. For the fiscal year ending September 30, 2003, each eli-
23 gible authority and each eligible governmental agency which provides
24 public transportation services in urbanized areas with a Michigan popula-
25 tion of less than or equal to 100,000 and nonurbanized areas under
26 section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall
27 receive a grant of up to 60% of its eligible operating expenses. Each

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1 eligible authority and each eligible government agency which provides
2 public transportation services in urbanized areas with a Michigan popula-
3 tion of greater than 100,000 under section 5307 of title 49 of the United
4 States Code, 49 U.S.C. 5307, shall receive a grant of up to 50% of its
5 eligible operating expenses.

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

10 Sec. 709. (1) The following bus routes are designated as an essen-
11 tial corridor in Michigan:

- | | | |
|----|------------------------|--------------------------------|
| 12 | Between St. Ignace and | |
| 13 | Escanaba | US-2 |
| 14 | Between Escanaba and | |
| 15 | Duluth | US-2 through Ironwood to the |
| 16 | | state line |
| 17 | Between Calumet and | |
| 18 | Escanaba | US-41 |
| 19 | Between Escanaba and | |
| 20 | Milwaukee | US-41 through Menominee to the |
| 21 | | state line |
| 22 | Between St. Ignace and | |
| 23 | Sault Ste. Marie | I-75 |
| 24 | | |
| 25 | Between Detroit and | |
| 26 | Chicago | I-94 from Detroit to the state |
| 27 | | line |

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1	Between Detroit and	
2	Muskegon	I-96
3	Between Grand Rapids,	
4	Holland, and Benton	
5	Harbor	I-196 to I-94
6	Between Muskegon and	
7	Grand Rapids	US-31, I-96
8	Between Detroit and Bay	
9	City	I-75
10	Between Bay City and	
11	Mount Pleasant	US-10, M-20
12	Between Jackson and	
13	Traverse City	US-127, US-27, I-75, Grayling,
14		Gaylord, M-72 to Traverse City
15	Between Jackson and	
16	Indianapolis	I-69, I-94 to the state line
17		through Albion, Marshall, and
18		Coldwater
19	Between Houghton Lake	
20	and Cadillac	M-55 and M-66
21	Between Detroit and	
22	Toledo	I-75 to the state line
23	Between the Indiana	
24	state line and	
25	Traverse City	US-31 and I-196
26	Between Detroit and Port	
27	Huron	I-375 and I-94

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1 Between Toledo and Bay
2 City US-23, I-75, and I-675, I-75
3
4 Between Bay City and
5 Chicago I-75, Flint, I-69, I-94, Battle
6 Creek, I-94 to the state line
7 Between Flint and
8 Lansing I-69, M-21, Owosso, M-52, I-69
9 Between Bay City and
10 St. Ignace I-75, US-23
11 Between Grand Rapids and
12 St. Ignace US-131, Cadillac, M-115, Mesick,
13 M-37 to Traverse City, US-31,
14 Acme, M-72, Kalkaska, US-131,
15 Boyne Falls, M-75, Walloon
16 Lake, US-131, Petoskey, US-31,
17 I-75, St. Ignace
18 Between Kalamazoo and
19 Grand Rapids US-131
20 (2) Any changes to the essential corridor list in subsection (1)
21 shall be approved by the house and senate appropriations subcommittees on
22 transportation.
23 (3) No entity shall receive operating assistance for a scheduled
24 regular route service which is competing with another private or public
25 carrier over the same route.
26 Sec. 710. Whenever possible, the department shall work with the
27 local transit agencies to avoid establishing new routes that duplicate

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1 existing routes served by intercity carriers when providing services
2 under regional transportation service programs. It is preferable that
3 private intercity carriers be provided an opportunity to bid by local
4 public transit agencies on services funded through the regional transpor-
5 tation service program.

6 Sec. 711. (1) From the funds appropriated in part 1 from the com-
7 prehensive transportation fund for rail passenger service, the department
8 shall negotiate with a rail carrier to provide rail service between Grand
9 Rapids and Chicago and between Port Huron and Chicago on a 7-day basis,
10 consistent with the other provisions of this section.

11 (2) The department shall work with the rail carrier, local communi-
12 ties, and the federal government to increase marketing efforts to promote
13 awareness of rail passenger service, to increase ridership, to reduce
14 operating subsidies in conjunction with the federal phaseout of operating
15 subsidies, to maximize the revenue of the rail passenger lines in
16 Michigan, and to improve on-time performance. The department shall
17 submit a report to both the house and senate appropriations committees
18 and the house and senate fiscal agencies by January 1, 2003, that pro-
19 vides a 5-year history on services, ridership, and subsidies.

20 (3) Future state support for the service between Grand Rapids and
21 Chicago and Port Huron and Chicago is dependent on the department's abil-
22 ity to provide a plan and a contract for services that increase ridership
23 and revenue, reduce operating costs, and improve on-time performance.
24 The department shall include a section in the report required in subsec-
25 tion (2) detailing efforts to reduce the dependence on state operating
26 subsidies and projected operating expenses for the next 2 years, and

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1 recommending service alternatives, for the Grand Rapids to Chicago
2 service and the Port Huron to Chicago service.

3 (4) Any state subsidy shall only provide for the direct operating
4 costs in Michigan and shall not exceed \$5,700,000.00 for the service
5 between Port Huron and Chicago and Grand Rapids and Chicago.

[(5) The rail carrier shall, as a condition to receiving a state
operating subsidy, establish a system to monitor, collect, and resolve
customer complaints and shall make the information available to the
department, the house and senate appropriations subcommittees on
transportation, and to the house and senate fiscal agencies.]

(6) If the chosen rail carrier is Amtrak, the department shall require
Amtrak to provide information to the department to identify direct and
indirect operating costs prior to receiving any state funding. Any state
subsidy shall only provide for the direct operating costs in Michigan.

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

6 Sec. 715. (1) On or before January 27, 2003, the department,
7 together with the house and senate fiscal agencies and the department of
8 management and budget, shall estimate the unreserved and unencumbered
9 closing balance of the comprehensive transportation fund (CTF) for the

10 fiscal year ending September 30, 2003. The estimate shall consider
11 lapsed appropriations from the CTF and revised estimates of state
12 restricted transportation revenue.

13 (2) On or before February 3, 2003, the department shall request a
14 legislative transfer in accordance with section 393 of the management and
15 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-
16 served and unencumbered CTF fund balance in excess of \$1,000,000.00. The
17 appropriations included in the transfer request shall be in accordance
18 with the statutory requirements of 1951 PA 51, MCL 247.651 to 247.675,
19 with priority given to local bus operating grants. At the same time the
20 department makes its transfer request, the department shall submit copies
21 of the transfer request to the house of representatives and senate appro-
22 priations subcommittees on transportation and the house and senate fiscal
23 agencies.

24 Sec. 719. The department may provide advances to local road author-
25 ities from the rail grade crossing account pursuant to section 11(1)(g)
26 of 1951 PA 51, MCL 247.661, for the construction of grade separations.

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27 Money that is received by the state as a repayment of the advance,
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1 including interest on the advance, shall be returned to the rail grade
2 crossing account and be available for the local grade crossing program
3 for advances for the construction of grade separations pursuant to sec-
4 tion 11(1)(g) of 1951 PA 51, MCL 247.661.

5 Sec. 721. For federal transit administration capital grants matched
6 with CTF funds appropriated in part 1, transit agencies shall have
7 3 years from the federal approval date to carry out their projects.
8 Contract line items unobligated 3 years after the federal approval date
9 may be matched with CTF funds only up to 15% in the fourth year, up to
10 10% in the fifth year, and up to 5% in the sixth year and subsequent
11 years. "Unobligated" means any line item in the contract that is not
12 committed to a third party or purchase order. A waiver shall be granted
13 for 1 year with documented justification from the transit agency accom-
14 panied by a resolution from the board or authority seeking a waiver. If
15 a transit agency does not carry out a line item activity in a specific
16 authorization and the transit agency requests funds in a new authoriza-
17 tion for that same activity, the line item shall be matched at up to
18 15%. All new building construction projects are exempt from this reduc-
19 tion in funding. Lapsed funds under this section shall remain in the
20 CTF.

21 Sec. 722. From the funds appropriated in part 1 for the work first
22 initiative from the CTF, sufficient funds shall be used as a match for
23 job access reverse commute grants for local transit agencies.

24 Sec. 723. From funds appropriated in part 1 for rail passenger
25 service, \$1,000,000.00 shall be appropriated to provide a 20% match for
26 federal funds for capital improvements to facilitate a Lansing to Detroit
27 rail passenger service. This is a 1-time appropriation for community

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1 outreach, preliminary engineering, environmental clearance, and design
2 plans only, and no funds from this appropriation shall be used for oper-
3 ating assistance on a Lansing to Detroit rail service. This appropria-
4 tion is not to be construed as a commitment of operating funds by the
5 legislature. It is the intent of the legislature that funds for ongoing
6 operating costs of a Lansing to Detroit rail service be provided by local
7 units of government within the Lansing to Detroit rail service area.
8 Funds not expended for preliminary engineering, environmental clearance,
9 and design plans shall be returned to the fund from which the appropria-
10 tion was made.

11 Sec. 724. Funds from the appropriations in part 1 shall not be used
12 for any expansion of an intermodal rail freight facility in southwest
13 Detroit, outside of existing railroad property, prior to the completion
14 of an environmental impact statement.

15 Sec. 725. Within 90 days of enactment of House Bill No. 5467 of the
16 91st Legislature, the department shall report to the house and senate
17 appropriations committees on the estimated start-up costs associated with
18 the Detroit area regional transportation authority established by House
19 Bill No. 5467 of the 91st Legislature.

20 **AERONAUTICS FUND**

21 Sec. 801. At the close of the fiscal year ending September 30,
22 2003, any unobligated and unexpended balance in the state aeronautics
23 fund created in the aeronautics code of the state of Michigan, 1945
24 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund

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1 and be appropriated by the legislature in the immediately succeeding
2 fiscal year.