

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5651**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2003; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

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For Fiscal Year Ending
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1 DEPARTMENT OF TRANSPORTATION

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	3,069.3	
5	GROSS APPROPRIATION.....		\$ 3,119,979,700
6	Total interdepartmental grants and intradepartmental		
7	transfers.....		0
8	ADJUSTED GROSS APPROPRIATION.....		\$ 3,119,979,700
9	Federal revenues:		
10	DOT, federal transit act.....		47,550,000
11	DOT-FHWA, highway research, planning, and		
12	construction.....		936,526,100
13	DOT-FRA, local rail service assistance.....		100,000
14	DOT-FRA, rail passenger/HSGT.....		3,000,000
15	Total federal revenues.....		987,176,100
16	Special revenue funds:		
17	Local funds.....		5,800,000
18	Total local revenues.....		5,800,000
19	Total private revenues.....		0
20	Blue Water Bridge fund.....		13,617,500
21	Comprehensive transportation fund.....		240,621,600
22	Economic development fund.....		57,315,000
23	Intercity bus equipment fund.....		1,000,000
24	Michigan transportation fund.....		1,081,183,600
25	Rail preservation fund.....		2,000,000
26	State aeronautics fund.....		7,107,800

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1	State trunkline fund.....	724,158,100
2	Total other state restricted revenues.....	2,127,003,600
3	State general fund/general purpose.....	\$ 0
4	Sec. 102. DEBT SERVICE	
5	State trunkline.....	\$ 91,903,200
6	Economic development.....	13,928,900
7	Critical bridge.....	3,000,000
8	Blue Water Bridge.....	2,308,100
9	Comprehensive transportation.....	<u>21,491,900</u>
10	GROSS APPROPRIATION.....	\$ 132,632,100
11	Appropriated from:	
12	Federal revenues:	
13	DOT-FHWA, highway research, planning, and	
14	construction.....	21,000,000
15	Special revenue funds:	
16	Blue Water Bridge fund.....	2,308,100
17	Comprehensive transportation fund.....	21,491,900
18	Economic development fund.....	13,928,900
19	Michigan transportation fund.....	3,000,000
20	State trunkline fund.....	70,903,200
21	State general fund/general purpose.....	\$ 0
22	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
23	Michigan transportation fund (MTF)	
24	MTF grant to department of environmental quality.....	\$ 884,800
25	MTF grant to department of state for collection of	
26	revenue and fees.....	70,000,100

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1	MTF grant to department of state for commemorative	
2	and speciality plates.....	6,062,300
3	MTF grant to department of treasury.....	100
4	MTF grant to legislative auditor general.....	138,000
5	State trunkline fund (STF)	
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.....	8,253,300
10	STF grant to department of treasury.....	29,100
11	STF grant to legislative auditor general.....	404,200
12	State aeronautics fund (SAF)	
13	SAF grant to department of attorney general.....	125,400
14	SAF grant to department of civil service.....	50,000
15	SAF grant to department of management and budget.....	27,900
16	SAF grant to department of treasury.....	64,100
17	SAF grant to legislative auditor general.....	17,100
18	Comprehensive transportation fund (CTF)	
19	CTF grant to department of attorney general.....	131,500
20	CTF grant to department of civil service.....	90,000
21	CTF grant to department of management and budget.....	49,900
22	CTF grant to department of treasury.....	5,300
23	CTF grant to legislative auditor general.....	<u>48,200</u>
24	GROSS APPROPRIATION.....	\$ 92,081,400
25	Appropriated from:	
26	Special revenue funds:	

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1	Comprehensive transportation fund.....	324,900
2	Michigan transportation fund.....	77,085,300
3	State aeronautics fund.....	284,500
4	State trunkline fund.....	14,386,700
5	State general fund/general purpose..... \$	0
6	Sec. 104. EXECUTIVE DIRECTION	
7	Full-time equated unclassified positions.....6.0	
8	Full-time equated classified positions.....33.3	
9	Unclassified salaries..... \$	547,800
10	State transportation commission (per diem payments)..	15,000
11	Commission audit--33.3 FTE positions.....	<u>2,983,000</u>
12	GROSS APPROPRIATION..... \$	3,545,800
13	Appropriated from:	
14	Special revenue funds:	
15	State trunkline fund.....	3,545,800
16	State general fund/general purpose..... \$	0
17	Sec. 105. ADMINISTRATIVE SERVICES	
18	Full-time equated classified positions.....106.0	
19	Administration--66.0 FTE positions..... \$	5,934,700
20	Property management.....	7,237,300
21	Human resources--31.0 FTE positions.....	2,478,300
22	Economic development administration--9.0 FTE	
23	positions.....	759,500
24	Worker's compensation.....	<u>2,966,000</u>
25	GROSS APPROPRIATION..... \$	19,375,800
26	Appropriated from:	

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1	Special revenue funds:		
2	Comprehensive transportation fund.....		1,599,000
3	Economic development fund.....		500,700
4	Michigan transportation fund.....		77,100
5	State aeronautics fund.....		657,400
6	State trunkline fund.....		16,541,600
7	State general fund/general purpose.....	\$	0
8	Sec. 106. INFORMATION TECHNOLOGY		
9	Information technology services and projects.....	\$	<u>26,396,400</u>
10	GROSS APPROPRIATION.....	\$	26,396,400
11	Appropriated from:		
12	Federal revenues:		
13	DOT-FHWA, highway research, planning, and		
14	construction.....		640,000
15	Special revenue funds:		
16	Blue Water Bridge fund.....		43,900
17	Comprehensive transportation fund.....		240,900
18	Economic development fund.....		37,100
19	Michigan transportation fund.....		35,200
20	State aeronautics fund.....		134,500
21	State trunkline fund.....		25,264,800
22	State general fund/general purpose.....	\$	0
23	Sec. 107. BUREAU OF FINANCE AND ADMINISTRATION		
24	Full-time equated classified positions.....	237.0	
25	Administration--237.0 FTE positions.....	\$	<u>19,758,200</u>
26	GROSS APPROPRIATION.....	\$	19,758,200

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1	Appropriated from:		
2	Special revenue funds:		
3	Michigan transportation fund.....		1,127,500
4	State trunkline fund.....		18,630,700
5	State general fund/general purpose.....	\$	0
6	Sec. 108. BUREAU OF TRANSPORTATION PLANNING		
7	Full-time equated classified positions.....	175.0	
8	Administration--175.0 FTE positions.....	\$	22,254,900
9	Grants to regional planning councils.....		<u>488,800</u>
10	GROSS APPROPRIATION.....	\$	22,743,700
11	Appropriated from:		
12	Federal revenues:		
13	DOT-FHWA, highway research, planning, and		
14	construction.....		14,566,800
15	Special revenue funds:		
16	Comprehensive transportation fund.....		1,168,000
17	Michigan transportation fund.....		4,760,900
18	State aeronautics fund.....		200,800
19	State trunkline fund.....		2,047,200
20	State general fund/general purpose.....	\$	0
21	Sec. 109. BUREAU OF HIGHWAYS		
22	Full-time equated classified positions.....	1,625.4	
23	Engineering operations--799.4 FTE positions.....	\$	31,796,800
24	Maintenance operations--78.0 FTE positions.....		7,071,200
25	Program services--748.0 FTE positions.....		<u>39,004,800</u>
26	GROSS APPROPRIATION.....	\$	77,872,800

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1	Appropriated from:	
2	Federal revenues:	
3	DOT-FHWA, highway research, planning, and	
4	construction.....	5,000,000
5	Special revenue funds:	
6	Michigan transportation fund.....	4,155,900
7	State trunkline fund.....	68,716,900
8	State general fund/general purpose.....	\$ 0
9	Sec. 110. HIGHWAY MAINTENANCE	
10	Full-time equated classified positions.....	699.6
11	State trunkline operations--699.6 FTE positions.....	\$ 99,057,900
12	Contract operations.....	<u>133,853,200</u>
13	GROSS APPROPRIATION.....	\$ 232,911,100
14	Appropriated from:	
15	Special revenue funds:	
16	State trunkline fund.....	232,911,100
17	State general fund/general purpose.....	\$ 0
18	Sec. 111. ROAD AND BRIDGE PROGRAMS	
19	State trunkline federal aid and road and bridge	
20	construction.....	\$ 938,647,500
21	Local federal aid and road and bridge construction...	233,132,000
22	Grants to local programs.....	33,000,000
23	Rail grade crossing.....	3,000,000
24	Critical bridge program.....	5,750,000
25	County road commissions.....	608,759,500
26	Cities and villages.....	<u>339,410,700</u>

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1	GROSS APPROPRIATION.....	\$	2,161,699,700
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and		
5	construction.....		895,319,300
6	Special revenue funds:		
7	Local funds.....		5,000,000
8	Blue Water Bridge fund.....		1,000,000
9	Michigan transportation fund.....		989,170,200
10	State trunkline fund.....		271,210,200
11	State general fund/general purpose.....	\$	0
12	Sec. 112. BLUE WATER BRIDGE		
13	Full-time equated classified positions.....		33.0
14	Blue Water Bridge fund operations--33.0 FTE positions	\$	<u>10,265,500</u>
15	GROSS APPROPRIATION.....	\$	10,265,500
16	Appropriated from:		
17	Special revenue funds:		
18	Blue Water Bridge fund.....		10,265,500
19	State general fund/general purpose.....	\$	0
20	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
21	Forest roads.....	\$	5,040,000
22	Rural county urban system.....		2,500,000
23	Target industries/economic redevelopment.....		19,404,300
24	Urban county congestion.....		7,952,000
25	Rural county primary.....		<u>7,952,000</u>
26	GROSS APPROPRIATION.....	\$	42,848,300

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1	Appropriated from:		
2	Special revenue funds:		
3	Economic development fund.....		42,848,300
4	State general fund/general purpose..... \$		0
5	Sec. 114. BUREAU OF AERONAUTICS		
6	Full-time equated classified positions.....56.0		
7	Administration--56.0 FTE positions..... \$		5,530,600
8	Air service program.....		<u>300,000</u>
9	GROSS APPROPRIATION..... \$		5,830,600
10	Appropriated from:		
11	Special revenue funds:		
12	State aeronautics fund.....		5,830,600
13	State general fund/general purpose..... \$		0
14	Sec. 115. BUREAU OF URBAN AND PUBLIC TRANSPORTATION		
15	Full-time equated classified positions.....104.0		
16	Administration--104.0 FTE positions..... \$		<u>8,725,400</u>
17	GROSS APPROPRIATION..... \$		8,725,400
18	Appropriated from:		
19	Special revenue funds:		
20	Comprehensive transportation fund.....		6,953,900
21	Michigan transportation fund.....		1,771,500
22	State general fund/general purpose..... \$		0
23	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
24	Local bus operating..... \$		161,565,600
25	Nonurban operating/capital.....		<u>10,300,000</u>
26	GROSS APPROPRIATION..... \$		171,865,600

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1	Appropriated from:	
2	Federal revenues:	
3	DOT, federal transit act.....	10,100,000
4	Special revenue funds:	
5	Local funds.....	200,000
6	Comprehensive transportation fund.....	161,565,600
7	State general fund/general purpose.....	\$ 0
8	Sec. 117. INTERCITY PASSENGER AND FREIGHT	
9	Freight property management.....	\$ 1,500,000
10	Detroit/Wayne County port authority.....	500,000
11	Intercity bus equipment.....	3,000,000
12	Rail passenger service.....	11,000,000
13	Freight preservation and development.....	5,692,900
14	Intercity bus service development.....	2,850,000
15	Marine passenger services.....	800,000
16	Terminal development.....	<u>2,884,800</u>
17	GROSS APPROPRIATION.....	\$ 28,227,700
18	Appropriated from:	
19	Federal revenues:	
20	DOT, federal transit act.....	1,500,000
21	DOT-FRA, local rail service assistance.....	100,000
22	DOT-FRA, rail passenger/HSGT.....	3,000,000
23	Special revenue funds:	
24	Local funds.....	50,000
25	Comprehensive transportation fund.....	20,577,700
26	Intercity bus equipment fund.....	1,000,000

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1	Rail preservation fund.....		2,000,000
2	State general fund/general purpose.....	\$	0
3	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		
4	Specialized services.....	\$	3,939,500
5	Municipal credit program.....		2,000,000
6	Bus capital.....		48,554,500
7	Ride sharing.....		330,700
8	Van pooling.....		195,000
9	Bus property management.....		50,000
10	Service development and new technology.....		1,550,000
11	Planning grants.....		80,000
12	Audit settlements.....		150,000
13	Region service coordination.....		500,000
14	Work first initiative.....		<u>5,850,000</u>
15			
16	GROSS APPROPRIATION.....	\$	63,199,700
17	Appropriated from:		
18	Federal revenues:		
19	DOT, federal transit act.....		35,950,000
20	Special revenue funds:		
21	Local funds.....		550,000
22	Comprehensive transportation fund.....		26,699,700
23	State general fund/general purpose.....	\$	0
24	Sec. 119. EARLY RETIREMENT SAVINGS		
25	Early retirement savings.....	\$	<u>(100)</u>
26	GROSS APPROPRIATION.....	\$	(100)

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1	Detroit/Wayne County port authority.....	500,000
2	Local ride sharing operating grants.....	330,700
3	Planning grants.....	80,000
4	Municipal credit program.....	2,000,000
5	Specialized services.....	<u>3,939,500</u>

6 [REDACTED]

7 Total payments to local units of government..... \$ 1,194,323,300

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

10 Sec. 203. As used in this act:

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

24 Sec. 204. The department of civil service shall bill departments
25 and agencies at the end of the first fiscal quarter for the 1% charge
26 authorized by section 5 of article XI of the state constitution of 1963.

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1 Payments shall be made for the total amount of the billing by the end of
2 the second fiscal quarter.

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

9 (2) The state budget director shall grant exceptions to this hiring
10 freeze when the state budget director believes that the hiring freeze
11 will result in rendering a state department or agency unable to deliver
12 basic services, causes loss of revenue to the state, would result in the
13 inability of the state to receive federal funds, or would necessitate
14 additional expenditures that exceed any savings from maintaining a
15 vacancy. The state budget director shall report by the thirtieth of each
16 month to the chairpersons of the senate and house of representatives
17 standing committees on appropriations the number of exceptions to the
18 hiring freeze approved during the previous month and the reasons to jus-
19 tify the exception.

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

26 (2) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$40,000,000.00 for state restricted

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1 contingency funds. These funds are not available for expenditure until
2 they have been transferred to another line item in this act pursuant to
3 section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393.

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

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

15 Sec. 207. At least 90 days before beginning any effort to privat-
16 ize, the department shall submit a complete project plan to the appropri-
17 ate senate and house of representatives appropriations subcommittees and
18 the senate and house fiscal agencies. The plan shall include the cri-
19 teria under which the privatization initiative will be evaluated. The
20 evaluation shall be completed and submitted to the appropriate senate and
21 house of representatives appropriations subcommittees and the senate and
22 house fiscal agencies within 30 months. As used in this section,
23 "privatize" or "privatization" means the transfer of state highway main-
24 tenance functions or activities currently performed by department forces,
25 or by boards of county road commissioners, county boards of commission-
26 ers, or local units of government under contract with the department, to
27 private contractors.

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1 Sec. 208. Unless otherwise specified, the department shall use the
2 internet to fulfill the reporting requirements of this act. This may
3 include transmission of reports via electronic mail to the recipients
4 identified for each reporting requirement or it may include placement of
5 reports on an internet or intranet site. Quarterly, the department shall
6 provide to the senate and house appropriations subcommittees, the state
7 budget office, and the senate and house fiscal agencies an electronic and
8 paper copy listing of the reports submitted during the most recent
9 3-month period along with the internet or intranet site of each report,
10 if any.

11 Sec. 209. Funds appropriated in part 1 shall not be used for the
12 purchase of foreign goods or services, or both, if competitively priced
13 and of comparable quality American goods or services, or both, are
14 available. The department shall give priority to the purchase of
15 Michigan goods and services.

16 Sec. 210. The director of each department receiving appropriations
17 in part 1 shall take all reasonable steps to ensure businesses in
18 deprived and depressed communities compete for and perform contracts to
19 provide services or supplies, or both. Each director shall strongly
20 encourage firms with which the department contracts to subcontract with
21 certified businesses in depressed and deprived communities for services,
22 supplies, or both.

23 Sec. 211. The departments and state agencies receiving appropria-
24 tions under this act shall receive and retain copies of all reports
25 funded from appropriations in part 1. These departments and state agen-
26 cies shall follow federal and state guidelines for short-term and
27 long-term retention of these reports and records.

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1 Sec. 259. From the funds appropriated in part 1 for information
2 technology, the department shall pay user fees to the department of
3 information technology for technology related services and projects. The
4 user fees shall be subject to provisions of an interagency agreement
5 between the department and the department of information technology.

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

12 **DEPARTMENTAL SECTIONS**

13 Sec. 301. (1) The department may establish a fee schedule and col-
14 lect fees sufficient to cover the costs to issue the permits that the
15 department is authorized by law to issue upon request, and for which fees
16 are not otherwise stipulated by law. All permit fees are nonrefundable
17 application fees and shall be credited to the state trunkline fund to
18 recover the direct and indirect costs of receiving, reviewing, and pro-
19 cessing the requests.

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

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

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

13 Sec. 305. The department may permit space on public passenger
14 transportation properties to be occupied by public or private tenants on
15 a competitive market rate basis. The department may require that revenue
16 from the tenants be placed in an account to be used to pay the costs to
17 maintain and improve the property.

18 Sec. 306. From the funds appropriated in part 1, the auditor gen-
19 eral shall conduct an audit of charges to transportation funds by state
20 departments. The auditor general shall prepare a detailed report, with
21 recommendations and conclusions, including a list of services charged to
22 transportation funds, the appropriateness of those charges, and the cost
23 allocation methodologies used in determining the level of funding, and
24 provide the report, upon request, to any member of the senate and house
25 of representatives and to the senate and house fiscal agencies by March
26 1, 2003.

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

6 Sec. 308. The department and local road agencies that receive
7 appropriations under this act shall pursue compliance with contract spec-
8 ifications for construction and maintenance of state highways and local
9 roads and streets. Work shall not be accepted and paid for until it com-
10 plies with contract requirements. Contractors with unsatisfactory per-
11 formance ratings shall be restricted from future bidding through the pre-
12 qualification process established by the department or a local road
13 agency. The department, county road commissions, and cities and villages
14 shall report to the house of representatives and senate appropriations
15 subcommittees on transportation on their respective activities under this
16 section.

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

20 Sec. 310. The department shall provide in a timely manner copies of
21 the agenda and approved minutes of monthly transportation commission
22 meetings to the members of the house and senate appropriations subcommit-
23 tees on transportation, the house and senate fiscal agencies, and the
24 state budget director.

25 Sec. 311. The department shall not use funds appropriated under
26 part 1 on behalf of a local governmental unit to pay the amount required

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1 for that local governmental unit to participate in the federal advance
2 construct program.

3 Sec. 312. At the close of the fiscal year ending September 30,
4 2003, any unencumbered and unexpended balance in the state trunkline fund
5 shall remain in the state trunkline fund and shall carry forward and is
6 appropriated for federal aid road and bridge programs for projects con-
7 tained in the annual state transportation program.

8 Sec. 313. (1) From funds appropriated in part 1, the department may
9 increase a state infrastructure bank program and grant or loan funds in
10 accordance with regulations of the state infrastructure bank program of
11 the United States department of transportation. The state infrastructure
12 bank is to be administered by the department for the purpose of providing
13 a revolving, self-sustaining resource for financing transportation infra-
14 structure projects.

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

24 Sec. 314. The department shall provide a report prepared by the
25 department's internal auditor on the activities of the internal auditor
26 for the prior fiscal year. This report shall include a listing of each
27 audit or investigation performed by the internal auditor pursuant to

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1 sections 486(4) and 487 of the management and budget act, 1984 PA 431,
2 MCL 18.1486 and 18.1487. The report shall identify the proportion of
3 time spent on each of the statutory responsibilities listed in sections
4 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431,
5 MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activ-
6 ities performed in the internal audit function. The report shall be due
7 biennially beginning on May 1, 2001 and shall be submitted to the gover-
8 nor, auditor general, the senate and house of representatives appropria-
9 tions committees, the senate and house fiscal agencies, and the
10 director.

11 Sec. 317. Funds appropriated in part 1 for state transportation
12 commission per diem payments shall provide daily per diem payments of
13 \$150.00 to each of the 6 appointed members of the state transportation
14 commission for all scheduled state transportation commission meetings.

15 Sec. 318. The department shall continue its program to increase the
16 use of women- and minority-owned businesses in state and local road con-
17 struction projects. This program shall comprise, at a minimum, outreach
18 and education efforts to inform women- and minority-owned firms of
19 department competitive bidding processes and requirements, and an assess-
20 ment of the availability of surety for women- and minority-owned
21 businesses. The department shall report by March 31, 2003 to the house
22 of representatives and senate appropriations subcommittees on transporta-
23 tion and the house and senate fiscal agencies of its progress in comply-
24 ing with this section.

25 Sec. 319. The department shall post signs at each rest area to
26 identify the agency or contractor responsible for maintenance of the rest
27 area. The signs shall include a department telephone number and shall

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1 indicate that unsafe or unclean conditions at the rest area may be
2 reported to that telephone number.

3 Sec. 322. Not later than January 1, 2003, the department shall fill
4 all vacant bridge inspector positions. Not later than February 15, 2003,
5 the department shall report to the senate and house of representatives
6 appropriations subcommittees on transportation the number of full-time
7 and part-time positions assigned to bridge inspection activities, the
8 number of vacancies, and any plans to fill the vacancies.

9 Sec. 324. From the funds appropriated in part 1, up to \$700,000.00
10 from the state trunkline fund shall be used for enhanced construction
11 zone traffic law enforcement. The funding shall be used to reimburse law
12 enforcement agencies for costs associated with construction zone traffic
13 enforcement. The funding shall be provided based on approved memoranda
14 of understanding between the department and participating law enforcement
15 agencies.

16 Sec. 328. The department shall issue a preliminary list of those
17 bridges that are scheduled to receive federal bridge funds under the
18 critical bridge program and shall notify those local communities and road
19 agencies by December 31, 2002. The department shall issue a final list
20 of those bridges that are scheduled to receive federal bridge funds under
21 the critical bridge program and shall notify those local communities and
22 road agencies scheduled to receive federal bridge funding under the crit-
23 ical bridge program no later than February 3, 2003.

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

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1 Sec. 335. The department shall work in collaboration with the
2 family independence agency regarding the summer youth programs. The
3 programs shall seek to employ inner city youth in street and highway
4 beautification projects.

5 Sec. 349. The department shall develop a plan to implement the
6 policy of the state transportation commission on noise abatement. The
7 department shall report on its efforts to implement the commission's
8 policy to the house and senate appropriations subcommittees on transpor-
9 tation and to the house and senate fiscal agencies on or before
10 October 1, 2002.

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

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

25 Sec. 356. The negative appropriation in part 1 for early retirement
26 savings represents savings from the state's 2002 early retirement
27 program. Not later than November 15, 2002, the state budget director

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1 shall request legislative transfers under section 393(2) of the
2 management and budget act, 1984 PA 431, MCL 18.1393, to apply the early
3 retirement savings to the appropriated line items affected by the early
4 retirement program.

5 Sec. 357. The department shall complete all necessary reviews and
6 inspections required to let local federal aid projects within 120 days of
7 the department's receipt of local federal aid project submittals.

8 **FEDERAL**

9 Sec. 401. When the department receives authorization from the fed-
10 eral government to commit transportation funds pursuant to federal appro-
11 priations, it shall present to the senate and house of representatives
12 appropriations transportation subcommittees and the senate and house
13 fiscal agencies, the federal amounts and categories authorized and the
14 department's recommendation for distribution of these funds. If a recom-
15 mendation or recommendations are not disapproved within 30 business days
16 by either the senate or house of representatives appropriations transpor-
17 tation subcommittees, then the recommendation or recommendations shall be
18 considered as approved. If either the senate or house of representatives
19 appropriations transportation subcommittee disapproves the proposed dis-
20 tribution, then the senate and house of representatives appropriations
21 transportation subcommittees and the department shall hold a joint meet-
22 ing on the issue to arrive at a final distribution. If no agreement is
23 reached between the parties, the department's distribution shall stand.

24 Sec. 402. (1) Twenty-three to twenty-seven percent of the DOT-FHWA
25 highway research, planning, and construction federal funds appropriated

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1 in part 1 shall be allocated to programs administered by local
2 jurisdictions after deduction of the following:

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

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

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

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

16 (4) Federal aid to highways allocated to local jurisdictions in sub-
17 section (1) shall be distributed in a manner that produces a 25% average
18 allocation of applicable funds to programs for local jurisdictions in
19 each fiscal year through the fiscal year ending September 30, 2005. The
20 average allocation of applicable federal aid to highway funds to programs
21 for local jurisdictions shall be the average of the amount distributed to
22 local jurisdictions under subsection (1) and similarly calculated distri-
23 butions in each succeeding fiscal year.

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

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

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

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

14 **MICHIGAN TRANSPORTATION FUND**

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

19 Sec. 502. The department of treasury shall perform audits and make
20 investigations of the disposition of all state funds received by county
21 road commissions or county boards of commissioners, as applicable, and
22 cities and villages for transportation purposes to determine compliance
23 with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675.
24 County road commissions or county boards of commissioners, as applicable,

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1 and cities and villages shall make available to the department of
2 treasury the pertinent records for the audit.

3 Sec. 503. (1) The funds appropriated in part 1 for the economic
4 development and critical bridge programs shall not lapse at the end of
5 the fiscal year but shall carry forward each fiscal year for the purposes
6 for which appropriated in accordance with 1987 PA 231, MCL 247.901 to
7 247.913, and section 11b of 1951 PA 51, MCL 247.661b.

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

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

17 (4) None of the funds statutorily dedicated to the transportation
18 economic development fund and critical bridge fund shall be diverted to
19 other projects.

20 Sec. 504. (1) Funds from the Michigan transportation fund (MTF)
21 shall be distributed to the comprehensive transportation fund (CTF), the
22 economic development fund (EDF), the recreational improvement fund (RIF),
23 and the state trunkline fund (STF), in accordance with this act and part
24 711 of the natural resources and environmental protection act, 1994
25 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in
26 this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural

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1 resources and environmental protection act, 1994 PA 451, MCL 324.71101 to
2 324.71108.

3 (2) The amounts appropriated and transferred to various state agen-
4 cies from part 1 shall be expended from the transportation funds pursuant
5 to annual contracts between the department and state agencies providing
6 tax and fee collection and other services applicable to transportation
7 funds. The contracts shall be executed prior to the transfer of these
8 funds. The contracts shall provide, but are not limited to, the follow-
9 ing data applicable to each state agency:

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

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

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

15 (3) At the close of each fiscal year and before April 1, each state
16 agency receiving an interdepartment and statutory contract from the
17 department shall submit a written report to the department, the state
18 budget director, and the house and senate fiscal agencies stating by
19 spending authorization account the amount of estimated funds contracted
20 with the department, the amount of funds expended, and the amount of
21 funds returned to the transportation funds. A copy of the report shall
22 be submitted to the auditor general and the report shall be subject to
23 audit by the auditor general.

24 Sec. 505. (1) Of the amount appropriated in part 1 from the
25 Michigan transportation fund to the department of state, \$186,600.00 rep-
26 resents the additional cost of issuing specialized license plates for
27 veterans and national guard members, as included in sections 803i, 803j,

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1 803k, and 803l of the Michigan vehicle code, 1949 PA 300, MCL 257.803i,
2 257.803j, 257.803k, and 257.803l, and \$187,600.00 represents the addi-
3 tional cost of issuing generic license plates for nonprofit fraternal or
4 public service organizations, as included in section 803m of the Michigan
5 vehicle code, 1949 PA 300, MCL 257.803m.

6 (2) In addition, commemorative and specialty license plate fee reve-
7 nue collected by the department of state and deposited into the Michigan
8 transportation fund is authorized for expenditure by the department of
9 state up to the amount of revenue collected, but not to exceed
10 \$2,147,300.00 for commemorative plates and \$3,915,000.00 for specialty
11 plates. These amounts are appropriated to the department of state in
12 part 1 to administer the commemorative and specialty license plate pro-
13 grams pursuant to section 225 of the Michigan vehicle code, 1949 PA 300,
14 MCL 257.225.

15 (3) The department of state shall prepare an annual report on the
16 number of, and the additional costs associated with, these license plate
17 programs to the department, the state budget director, the house and
18 senate fiscal agencies, and the chairpersons of the house of representa-
19 tives and senate appropriations subcommittees on transportation.

20 (4) Any unspent funds based on these annual reports shall lapse to
21 the Michigan transportation fund and be distributed in accordance with
22 1951 PA 51. MCL 247.651 to 247.675.

Sec. 506. From the funds appropriated in part 1 for county road
commissions. no county road commission shall pay any fee to the state
department of natural resources to cut down and/or remove any tree or
vegetation on any county right-of-way property.

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

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

21 Sec. 603. It is the intent of the legislature that the department
22 shall use traffic congestion as 1 of the criteria in determining the pri-
23 orities for designating which roads shall be remediated in its 5-year
24 road plan, which must be submitted on or before February 1, 2003.
25 Criteria for evaluating traffic congestion shall include, but not be
26 limited to, coordination with local, county, and regional planning,
27 improvement in traffic operations, improvement in physical roadway

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1 conditions, accident reduction, and coordination with area public
2 transportation planning.

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

10 Sec. 610. It is the intent of the legislature that the department
11 have as a priority the removal of dead deer and other large animal
12 remains from the traveled portion and shoulder of state highways. The
13 department, and counties that perform state highway maintenance under
14 contract, shall remove animal remains, wherever practicable, away from
15 the traveled portion and shoulder of state highways.

16 Sec. 612. From the funds appropriated in part 1, the department
17 shall conduct a feasibility study regarding the construction of a north-
18 bound ramp at I-675 and Washington avenue in the city of Saginaw. The
19 study shall be completed and the findings communicated to the senate and
20 house of representatives appropriations subcommittees on transportation
21 and the senate and house fiscal agencies by February 1, 2003.

22 Sec. 613. From the funds appropriated in part 1, the department
23 shall conduct a feasibility study regarding the construction of a full
24 interchange between exits 212 and 215 on I-75 in Ogemaw County at M-30.
25 The study shall be completed and the findings communicated to the senate
26 and house of representatives appropriations subcommittees on

1 transportation and the senate and house fiscal agencies by February 1,
2 2003.

3 Sec. 614. From the funds appropriated in part 1, the department
4 shall install a traffic light at Vance road and M-37 in Grand Traverse
5 County.

6 Sec. 615. From the funds appropriated in part 1, the department
7 shall conduct a feasibility study regarding the construction of an
8 interchange on I-96 at Sternberg Road in Muskegon County. The study
9 shall be completed and the findings communicated to the senate and house
10 of representatives appropriations subcommittees on transportation and the
11 senate and house fiscal agencies by February 1, 2003.

6 **COMPREHENSIVE TRANSPORTATION FUND**

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

19 Sec. 702. Money that is received by the state as repayment for
20 loans made for rail or water freight capital projects, and as a result of
21 the sale of property or equipment used or projected to be used for rail
22 or water freight projects shall be deposited in the fund created by sec-
23 tion 17 of the state transportation preservation act of 1976, 1976
24 PA 295, MCL 474.67.

1 Sec. 703. After receiving notification from a railroad company

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2 pursuant to section 8 of the state transportation preservation act of
3 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify
4 the house of representatives and senate appropriations subcommittees on
5 transportation and the state budget office that the railroad company has
6 filed with the appropriate governmental agencies for abandonment of a
7 line.

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

15 Sec. 705. The rail infrastructure loan program shall provide
16 noninterest-bearing loans for rail infrastructure improvements. The
17 department shall evaluate loan applications according to the relative
18 merit of the project in conjunction with program goals. The transporta-
19 tion commission shall approve the loans. The loans shall fund not more
20 than 90% of the rail portion of project costs, and the loan repayment
21 period shall not exceed 10 years. Local governments, railroads, and cur-
22 rent or potential users of freight railroad services are eligible
23 applicants. At the end of the fiscal year, unexpended funds shall remain
24 in the rail infrastructure loan program and shall be available to be
25 allocated for the purposes of the program in the succeeding fiscal year.
26 Money that is received by this state as repayment for rail infrastructure
27 loans made pursuant to this program shall remain within the rail

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1 infrastructure loan program and shall be allocated for the purposes of
2 the program. The state's total contribution to the rail infrastructure
3 loan program shall not exceed \$15,000,000.00.

4 Sec. 706. The Detroit/Wayne County port authority shall issue a
5 complete operations assessment and a financial disclosure statement. The
6 operations assessment shall include operational goals for the next 5
7 years and recommendations to improve land acquisition and development
8 efficiency. The report shall be completed and submitted to the house of
9 representatives and senate appropriations subcommittees on transporta-
10 tion, the state budget office, and the house and senate fiscal agencies
11 by February 15, 2003.

12 Sec. 707. For the fiscal year ending September 30, 2003, each eli-
13 gible authority and each eligible governmental agency which provides
14 public transportation services in urbanized areas with a Michigan popula-
15 tion of less than or equal to 100,000 and nonurbanized areas under
16 section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall
17 receive a grant of up to 60% of its eligible operating expenses. Each
18 eligible authority and each eligible government agency which provides
19 public transportation services in urbanized areas with a Michigan popula-
20 tion of greater than 100,000 under section 5307 of title 49 of the United
21 States Code, 49 U.S.C. 5307, shall receive a grant of up to 50% of its
22 eligible operating expenses.

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

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1	Between Bay City and	
2	Mount Pleasant	US-10, M-20
3	Between Jackson and	
4	Traverse City	US-127, US-27, I-75, Grayling,
5		Gaylord, M-72 to Traverse City
6	Between Jackson and	
7	Indianapolis	I-69, I-94 to the state line
8		through Albion, Marshall, and
9		Coldwater
10	Between Houghton Lake	
11	and Cadillac	M-55 and M-66
12	Between Detroit and	
13	Toledo	I-75 to the state line
14	Between the Indiana	
15	state line and	
16	Traverse City	US-31 and I-196
17	Between Detroit and Port	
18	Huron	I-375 and I-94
19	Between Toledo and Bay	
20	City	US-23, I-75, and I-675, I-75
21		
22	Between Bay City and	
23	Chicago	I-75, Flint, I-69, I-94, Battle
24		Creek, I-94 to the state line
25	Between Flint and	
26	Lansing	I-69, M-21, Owosso, M-52, I-69

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1 Between Bay City and

2 St. Ignace

I-75, US-23

3 Between Grand Rapids and

4 St. Ignace

US-131, Cadillac, M-115, Mesick,

5 M-37 to Traverse City, US-31,

6 Acme, M-72, Kalkaska, US-131,

7 Boyne Falls, M-75, Walloon

8 Lake, US-131, Petoskey, US-31,

9 I-75, St. Ignace

10 Between Kalamazoo and

11 Grand Rapids

US-131

12 (2) Any changes to the essential corridor list in subsection (1)

13 shall be approved by the house and senate appropriations subcommittees on
14 transportation.

15 (3) No entity shall receive operating assistance for a scheduled
16 regular route service which is competing with another private or public
17 carrier over the same route.

18 Sec. 710. Whenever possible, the department shall work with the
19 local transit agencies to avoid establishing new routes that duplicate
20 existing routes served by intercity carriers when providing services
21 under regional transportation service programs. It is preferable that
22 private intercity carriers be provided an opportunity to bid by local
23 public transit agencies on services funded through the regional transpor-
24 tation service program.

25 Sec. 711. (1) From the funds appropriated in part 1 from the com-
26 prehensive transportation fund for rail passenger service, the department
27 shall negotiate with a rail carrier to provide rail service between Grand

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1 Rapids and Chicago and between Port Huron and Chicago on a 7-day basis,
2 consistent with the other provisions of this section.

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

12 (3) Future state support for the service between Grand Rapids and
13 Chicago and Port Huron and Chicago is dependent on the department's abil-
14 ity to provide a plan and a contract for services that increase ridership
15 and revenue, reduce operating costs, and improve on-time performance.
16 The department shall include a section in the report required in subsec-
17 tion (2) detailing efforts to reduce the dependence on state operating
18 subsidies and projected operating expenses for the next 2 years, and rec-
19 ommending service alternatives, for the Grand Rapids to Chicago service
20 and the Port Huron to Chicago service.

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

24 (5) The rail carrier shall, as a condition to receiving a state
25 operating subsidy, establish a system to monitor, collect, and resolve
26 customer complaints and shall make the information available to the

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1 department, the house and senate appropriations subcommittees on
2 transportation, and to the house and senate fiscal agencies.

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

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

12 Sec. 715. (1) On or before January 27, 2003, the department,
13 together with the house and senate fiscal agencies and the department of
14 management and budget, shall estimate the unreserved and unencumbered
15 closing balance of the comprehensive transportation fund (CTF) for the
16 fiscal year ending September 30, 2003. The estimate shall consider
17 lapsed appropriations from the CTF and revised estimates of state
18 restricted transportation revenue.

19 (2) On or before February 3, 2003, the department shall request a
20 legislative transfer in accordance with section 393 of the management and
21 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-
22 served and unencumbered CTF fund balance in excess of \$1,000,000.00. The
23 appropriations included in the transfer request shall be in accordance
24 with the statutory requirements of 1951 PA 51, MCL 247.651 to 247.675,
25 with 67% given to local bus operating grants. At the same time the
26 department makes its transfer request, the department shall submit copies
27 of the transfer request to the house of representatives and senate

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

3 Sec. 719. The department may provide advances to local road author-
4 ities from the rail grade crossing account pursuant to section 11(1)(g)
5 of 1951 PA 51, MCL 247.661, for the construction of grade separations.
6 Money that is received by the state as a repayment of the advance,
7 including interest on the advance, shall be returned to the rail grade
8 crossing account and be available for the local grade crossing program
9 for advances for the construction of grade separations pursuant to sec-
10 tion 11(1)(g) of 1951 PA 51, MCL 247.661.

11 Sec. 721. Except for facility projects, for federal transit admin-
12 istration capital grants matched with CTF funds appropriated in part 1,
13 transit agencies shall have 4 years from the federal approval date to
14 carry out their projects. Contract line items unobligated 4 years after
15 the federal approval date may be matched with CTF funds only up to 15% in
16 the fifth and subsequent years. "Unobligated" means any line item in the
17 contract that is not committed to a third party or purchase order. A
18 waiver shall be granted by the department for an additional year with
19 documented justification from the transit agency accompanied by a resolu-
20 tion from the board or authority seeking a waiver. If a transit agency
21 does not carry out a line item activity in a specific authorization and
22 the transit agency requests funds in a new authorization for that same
23 activity, the line item shall be matched at up to 15%. All new facility
24 construction projects are exempt from this reduction in funding. Lapsed
25 funds under this section shall remain in the CTF.

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

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

9 **AERONAUTICS FUND**

10 Sec. 801. At the close of the fiscal year ending September 30,
11 2003, any unobligated and unexpended balance in the state aeronautics
12 fund created in the aeronautics code of the state of Michigan, 1945
13 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund
14 and be appropriated by the legislature in the immediately succeeding
15 fiscal year.

16 Sec. 803. (1) From the funds appropriated in section 114, the
17 department shall establish an aeronautics safety officer position to
18 coordinate safety functions between the department, the department of
19 natural resources, and the department of state police. It is the intent
20 of the legislature that the safety officer position is jointly funded by
21 the 3 departments in equal shares.

22 (2) In addition to the funds appropriated in section 113, the
23 department is authorized to expend funds received from the department of
24 natural resources and the department of state police that are intended to

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1 support the aeronautics safety officer position established in subsection
2 (1).