

Act No. 561
Public Acts of 2002
Approved by the Governor*
September 30, 2002
Filed with the Secretary of State
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*Item Vetoes

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**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

**Introduced by Reps. Shackleton, Stewart, Kooiman, Pumford, Pappageorge, Toy, Caul, Jelinek, Jansen,
Vander Roest and Shulman**

ENROLLED HOUSE BILL No. 5651

AN ACT 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:

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:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,069.3	
GROSS APPROPRIATION		\$ 3,125,181,500
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 3,125,181,500
Federal revenues:		
DOT, federal transit act		47,550,000
DOT-FHWA, highway research, planning, and construction		936,526,100
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		3,000,000
Total federal revenues		987,176,100

Special revenue funds:	
Total local revenues	\$ 5,800,000
Total private revenues.....	0
Total local and private revenues.....	5,800,000
Michigan transportation fund.....	1,093,043,700
Economic development fund.....	57,315,000
State trunkline fund.....	713,370,400
State aeronautics fund.....	12,107,800
Comprehensive transportation fund	239,751,000
Blue Water Bridge fund.....	13,617,500
Intercity bus equipment fund.....	1,000,000
Rail preservation fund.....	2,000,000
Total other state restricted revenues.....	2,132,205,400
State general fund/general purpose	\$ 0

Sec. 102. DEBT SERVICE

State trunkline	\$ 91,903,200
Economic development.....	13,928,900
Critical bridge	3,000,000
Blue Water Bridge	2,308,100
Airport safety and protection plan.....	5,000,000
Comprehensive transportation.....	21,491,900
GROSS APPROPRIATION.....	\$ 137,632,100

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction.....	21,000,000
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Special revenue funds:

Comprehensive transportation fund	21,491,900
Michigan transportation fund.....	3,000,000
State trunkline fund.....	70,903,200
Blue Water Bridge fund.....	2,308,100
Economic development fund.....	13,928,900
State aeronautics fund.....	5,000,000
State general fund/general purpose	\$ 0

Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS

MTF grant to department of environmental quality.....	\$ 884,800
MTF grant to department of state for collection of revenue and fees.....	90,430,700
MTF grant to department of state for commemorative and specialty plates.....	4,069,300
MTF grant to legislative auditor general	138,000
MTF grant to department of treasury	10,225,000
STF grant to department of attorney general.....	2,566,200
STF grant to department of civil service	2,000,000
STF grant to department of management and budget	1,133,900
STF grant to department of state police	8,253,300
STF grant to department of treasury	29,100
STF grant to legislative auditor general	404,200
SAF grant to department of attorney general	125,400
SAF grant to department of civil service.....	50,000
SAF grant to department of management and budget.....	27,900
SAF grant to department of treasury	64,100
SAF grant to legislative auditor general.....	17,100
CTF grant to department of attorney general	131,500
CTF grant to department of civil service.....	90,000
CTF grant to department of management and budget.....	49,900
CTF grant to department of treasury.....	5,300
CTF grant to legislative auditor general.....	48,200
GROSS APPROPRIATION.....	\$ 120,743,900

Appropriated from:
Special revenue funds:

Comprehensive transportation fund	\$	324,900
Michigan transportation fund		105,747,800
State aeronautics fund		284,500
State trunkline fund		14,386,700
State general fund/general purpose	\$	0

Sec. 104. EXECUTIVE DIRECTION

Full-time equated unclassified positions		6.0
Full-time equated classified positions		33.3
Unclassified salaries	\$	532,200
State transportation commission (per diem payments)		10,000
Commission audit—33.3 FTE positions		2,983,000
GROSS APPROPRIATION	\$	3,525,200
Appropriated from:		
Special revenue funds:		
State trunkline fund		3,525,200
State general fund/general purpose	\$	0

Sec. 105. ADMINISTRATIVE SERVICES

Full-time equated classified positions		106.0
Administration—66.0 FTE positions	\$	5,934,700
Property management		7,237,300
Human resources—31.0 FTE positions		2,478,300
Economic development administration—9.0 FTE positions		759,500
Worker's compensation		2,966,000
GROSS APPROPRIATION	\$	19,375,800
Appropriated from:		
Special revenue funds:		
Economic development fund		500,700
State aeronautics fund		657,400
Comprehensive transportation fund		1,599,000
Michigan transportation fund		77,100
State trunkline fund		16,541,600
State general fund/general purpose	\$	0

Sec. 106. INFORMATION TECHNOLOGY

Information technology services and projects	\$	26,396,400
GROSS APPROPRIATION	\$	26,396,400
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		640,000
Special revenue funds:		
Blue Water Bridge fund		43,900
Comprehensive transportation fund		240,900
Economic development fund		37,100
Michigan transportation fund		35,200
State aeronautics fund		134,500
State trunkline fund		25,264,800
State general fund/general purpose	\$	0

Sec. 107. BUREAU OF FINANCE AND ADMINISTRATION

Full-time equated classified positions		237.0
Administration—237.0 FTE positions	\$	19,758,200
GROSS APPROPRIATION	\$	19,758,200
Appropriated from:		
Special revenue funds:		
Michigan transportation fund		1,127,500
State trunkline fund		18,630,700
State general fund/general purpose	\$	0

Sec. 108. BUREAU OF TRANSPORTATION PLANNING

Full-time equated classified positions	175.0	
Administration—175.0 FTE positions		\$ 22,254,900
Grants to regional planning councils		488,800
GROSS APPROPRIATION		\$ 22,743,700
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		14,566,800
Special revenue funds:		
State aeronautics fund		200,800
Comprehensive transportation fund		1,168,000
Michigan transportation fund		4,760,900
State trunkline fund		2,047,200
State general fund/general purpose		\$ 0

Sec. 109. BUREAU OF HIGHWAYS

Full-time equated classified positions	1,625.4	
Engineering operations—799.4 FTE positions		\$ 31,796,800
Maintenance operations—78.0 FTE positions		7,071,200
Program services—748.0 FTE positions		39,004,800
GROSS APPROPRIATION		\$ 77,872,800
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		5,000,000
Special revenue funds:		
Michigan transportation fund		4,155,900
State trunkline fund		68,716,900
State general fund/general purpose		\$ 0

Sec. 110. HIGHWAY MAINTENANCE

Full-time equated classified positions	699.6	
State trunkline operations—699.6 FTE positions		\$ 99,057,900
Contract operations		133,853,200
GROSS APPROPRIATION		\$ 232,911,100
Appropriated from:		
Special revenue funds:		
State trunkline fund		232,911,100
State general fund/general purpose		\$ 0

Sec. 111. ROAD AND BRIDGE PROGRAMS

State trunkline federal aid and road and bridge construction		\$ 921,880,300
Local federal aid and road and bridge construction		215,132,000
Grants to local programs		33,000,000
Rail grade crossing		3,000,000
Critical bridge fund		29,750,000
County road commissions		597,971,700
Cities and villages		333,396,100
GROSS APPROPRIATION		\$ 2,134,130,100
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		895,319,300
Special revenue funds:		
Local funds		5,000,000
Blue Water Bridge fund		1,000,000
Michigan transportation fund		972,367,800
State trunkline fund		260,443,000
State general fund/general purpose		\$ 0

Sec. 112. BLUE WATER BRIDGE

Full-time equated classified positions.....	33.0	
Blue Water Bridge operations—33.0 FTE positions		\$ 10,265,500
GROSS APPROPRIATION.....		\$ 10,265,500
Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund		10,265,500
State general fund/general purpose		\$ 0

Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Forest roads		\$ 5,040,000
Rural county urban system		2,500,000
Target industries/economic redevelopment.....		19,404,300
Urban county congestion.....		7,952,000
Rural county primary		7,952,000
GROSS APPROPRIATION.....		\$ 42,848,300
Appropriated from:		
Special revenue funds:		
Economic development fund.....		42,848,300
State general fund/general purpose		\$ 0

Sec. 114. BUREAU OF AERONAUTICS

Full-time equated classified positions.....	56.0	
Administration—56.0 FTE positions		\$ 5,530,600
Air service program.....		300,000
GROSS APPROPRIATION.....		\$ 5,830,600
Appropriated from:		
Special revenue funds:		
State aeronautics fund		5,830,600
State general fund/general purpose		\$ 0

Sec. 115. BUREAU OF URBAN AND PUBLIC TRANSPORTATION

Full-time equated classified positions.....	104.0	
Administration—104.0 FTE positions		\$ 8,725,400
GROSS APPROPRIATION.....		\$ 8,725,400
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		6,953,900
Michigan transportation fund.....		1,771,500
State general fund/general purpose		\$ 0

Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating.....		\$ 160,000,000
Nonurban operating/capital		10,300,000
GROSS APPROPRIATION.....		\$ 170,300,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act		10,100,000
Special revenue funds:		
Comprehensive transportation fund		160,000,000
Local funds.....		200,000
State general fund/general purpose		\$ 0

Sec. 117. INTERCITY PASSENGER AND FREIGHT

Freight property management.....		\$ 1,500,000
Detroit/Wayne County port authority.....		500,000
Intercity bus equipment.....		3,000,000
Rail passenger service		11,300,000

	For Fiscal Year Ending Sept. 30, 2003
Freight preservation and development	\$ 5,692,900
Rail infrastructure loan program.....	100,000
Intercity bus service development	2,850,000
Marine passenger service.....	800,000
Terminal development	2,884,800
GROSS APPROPRIATION.....	\$ 28,627,700
Appropriated from:	
Federal revenues:	
DOT, federal transit act	1,500,000
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT	3,000,000
Special revenue funds:	
Rail preservation fund	2,000,000
Intercity bus equipment fund.....	1,000,000
Comprehensive transportation fund	20,977,700
Local funds.....	50,000
State general fund/general purpose	\$ 0

Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services	\$ 3,939,500
Municipal credit program.....	2,000,000
Bus capital.....	48,849,500
Ride sharing	330,700
Van pooling	195,000
Bus property management	50,000
Service development and new technology	1,550,000
Planning grants.....	80,000
Audit settlements	150,000
Regional service coordination.....	500,000
Work first initiative	5,850,000
GROSS APPROPRIATION.....	\$ 63,494,700
Appropriated from:	
Federal revenues:	
DOT, federal transit act	35,950,000
Special revenue funds:	
Comprehensive transportation fund	26,994,700
Local funds.....	550,000
State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$2,132,205,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$1,176,250,300.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Local grant program	\$ 33,000,000
Economic development fund.....	23,444,000
Grants to cities and villages	333,396,100
Grants to county road commissions.....	597,971,700

Critical bridge fund	\$	5,750,000
Grants to regional planning councils		488,800
Local bus operating		160,000,000
Bus capital		14,549,500
Marine passenger service		800,000
Detroit/Wayne County port authority		500,000
Local ride sharing operating grants		330,700
Planning grants		80,000
Municipal credit program		2,000,000
Specialized services		3,939,500
Total payments to local units of government	\$	1,176,250,300

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

Sec. 203. As used in this act:

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

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

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

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

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

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

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

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

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

DEPARTMENTAL SECTIONS

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

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

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

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept

confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

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

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

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

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation on their respective activities under this section.

Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

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

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

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

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

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

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The report shall be due biennially beginning on May 1, 2001 and shall be submitted to the governor, auditor general, the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the director.

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

Sec. 318. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by March 31, 2003 to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

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

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

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

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

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

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

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

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

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

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

(2) After compiling this information for all Michigan counties, the department shall prepare a report on the current all-season road network within the state. This report shall illustrate the current all-season road network under state and county control, identify contiguity gaps in this network, and suggest ways to improve connectivity on the current

all-season network. This report shall be presented to the house and senate appropriations subcommittees on transportation, the house and senate transportation policy committees, and the house and senate fiscal agencies on or before October 1, 2004.

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

Sec. 355. The department in consultation with the department of environmental quality shall design and build at least 1 demonstration road preservation project using an asphalt pavement design mixture including recycled or scrap tires. For purposes of the demonstration, 1 of these projects may be constructed on a local road requiring repaving. The department shall report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1, 2003 on its findings.

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

FEDERAL

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not disapproved within 30 business days by either the senate or house of representatives appropriations transportation subcommittee, then the recommendation or recommendations shall be considered as approved. If either the senate or house of representatives appropriations transportation subcommittee disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting on the issue to arrive at a final distribution. If no agreement is reached between the parties, the department's distribution shall stand.

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

- (a) Funds that are specifically allocated at the federal level to the state or local jurisdictions.
- (b) Funds allocated by the department to the state and to local jurisdictions through a competitive process.

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

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

(4) Federal aid to highways allocated to local jurisdictions in subsection (1) shall be distributed in a manner that produces a 25% average allocation of applicable funds to programs for local jurisdictions in each fiscal year through the fiscal year ending September 30, 2005. The average allocation of applicable federal aid to highway funds to programs for local jurisdictions shall be the average of the amount distributed to local jurisdictions under subsection (1) and similarly calculated distributions in each succeeding fiscal year.

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

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

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

Sec. 404. It is the intent of the legislature that \$3,750,000.00 in federal high priority project funds designated in the transportation equity act for the 21st century, Public Law 105-178, 112 Stat. 107, to improve I-94 in Kalamazoo County

be expended by the department for preliminary engineering and design work related to rehabilitation and capacity improvements to I-94 between US-131 and Sprinkle Road in Kalamazoo County.

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

MICHIGAN TRANSPORTATION FUND

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

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

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

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

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

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

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

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

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

(b) Description of services financed with transportation funds.

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

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

(4) In addition to subsection (2), the department is authorized to receive billings from other state agencies that provide transportation-related services and to make payments from the Michigan transportation fund, comprehensive transportation fund, economic development fund, state aeronautics fund, and state trunkline fund as determined by the department based on allowable expenditures and verification by the department.

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

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

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

(4) Any unspent funds based on these annual reports shall lapse to the Michigan transportation fund and be distributed in accordance with 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.

Sec. 507. It is the intent of the legislature to reduce the level of funding for grants from state-restricted transportation funds to other state departments. The department shall recommend alternative funding methods for services provided by other state departments, other than interdepartmental grants from state-restricted transportation funds. The department shall report its recommendations to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by February 1, 2003.

STATE TRUNKLINE FUND

Sec. 601. The department shall work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2003 to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

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

Sec. 603. It is the intent of the legislature that the department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2003. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

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

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund in the fiscal year ending September 30, 2003, \$40,000.00 shall be used for the purpose of establishing 2 additional

truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

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

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

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

Sec. 613. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange between exits 212 and 215 on I-75 in Ogemaw County at M-30. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

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

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

Sec. 616. From the funds appropriated in part 1, the department shall conduct a study regarding traffic conditions on M-104 in Ottawa County between I-96 and Spring Lake. The study shall consider highway improvements to increase traffic safety. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 617. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies by February 1, 2003.

Sec. 618. The department shall select alternative II, as identified in the draft environmental impact statement for the US-127 west interchange portion of the I-94 freeway modernization project in Jackson County.

COMPREHENSIVE TRANSPORTATION FUND

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment.

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

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives

and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

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

Sec. 705. From the funds appropriated in part 1, \$100,000.00 is allocated for a rail infrastructure loan program. The program shall provide noninterest-bearing loans for rail infrastructure improvements. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not more than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year, unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the program in the succeeding fiscal year. Money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan program and shall be allocated for the purposes of the program. The state's total contribution to the rail infrastructure loan program shall not exceed \$15,000,000.00.

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

Sec. 707. For the fiscal year ending September 30, 2003, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 U.S.C. 5307, shall receive a grant of up to 50% of its eligible operating expenses.

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

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23

Between Grand Rapids and St. Ignace

US-131, Cadillac, M-115, Mesick, M-37 to Traverse City,
US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls,
M-75, Walloon Lake, US-131, Petoskey, US-31, I-75,
St. Ignace

Between Kalamazoo and Grand Rapids

US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

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

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

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

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

(3) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (2) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.

(4) Any state subsidy shall only provide for the direct operating costs in Michigan and shall not exceed \$5,700,000.00 for the service 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.

Sec. 715. (1) On or before January 27, 2003, the department, together with the house and senate fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the comprehensive transportation fund (CTF) for the fiscal year ending September 30, 2002. The estimate shall consider lapsed appropriations from the CTF and revised estimates of state restricted transportation revenue.

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

Sec. 719. The department may provide advances to local road authorities from the rail grade crossing account pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661, for the construction of grade separations. Money that is received by the state as a repayment of the advance, including interest on the advance, shall be returned to the rail

grade crossing account and be available for the local grade crossing program for advances for the construction of grade separations pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

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

Sec. 723. From funds appropriated in part 1 for rail passenger service, up to \$1,000,000.00 is appropriated to provide a 20% match for federal funds for capital improvements to facilitate a Lansing to Detroit rail passenger service. This is a 1-time appropriation for community outreach, preliminary engineering, environmental clearance, and design plans only, and no funds from this appropriation shall be used for operating assistance on a Lansing to Detroit rail service. This appropriation is not to be construed as a commitment of operating funds by the legislature. It is the intent of the legislature that funds for ongoing operating costs of a Lansing to Detroit rail service be provided by local units of government within the Lansing to Detroit rail service area. Funds not expended for preliminary engineering, environmental clearance, and design plans shall be returned to the fund from which the appropriation was made.

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

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

AERONAUTICS FUND

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

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

(2) In addition to the funds appropriated in section 113, the department is authorized to expend funds received from the department of natural resources and the department of state police that are intended to support the aeronautics safety officer position established in subsection (1).

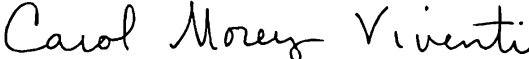
Sec. 805. State aeronautics funds appropriated in part 1 for airport safety and protection plan debt service are transferred to the comprehensive transportation fund and are appropriated for the purpose of reimbursing comprehensive transportation fund debt service obligations for the airport safety and protection plan program. This appropriation does not take effect unless House Bill No. 4454 of the 91st Legislature is enacted into law on or before September 30, 2002.

Sec. 901. In addition to the amounts appropriated in part 1, \$7,421,000.00 from the state liquor purchase revolving fund is appropriated to the Michigan department of transportation for transfer to the department of consumer and industry services for fire protection grants to local units of government to be distributed in accordance with 1977 PA 289, MCL 141.951 to 141.956.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.