

from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

Human resources; report.

Sec. 504. (1) The department shall compile the following information about human resources for all executive branch departments:

(a) An organizational chart for each department that clearly identifies each department's human resources office and its relationship to other department offices.

(b) A detailed job description for each person employed in each department's human resources office.

(c) The total number of personnel employed in each department's human resources office.

(d) The amount of funding allocated to each department's human resources operations.

(2) The department shall submit a report containing this information for the previous fiscal year to the senate and house of representatives standing committees on appropriations subcommittees on general government by November 30, 2003. The report shall include recommendations for consolidating executive branch human resources functions into 1 department, and an estimate of cost savings, if any, that would be realized from combining these operations.

INFORMATION TECHNOLOGY

Services by department of information technology; assessment of user fees.

Sec. 571. The appropriation in part 1 for the department of information technology shall be funded by user fees assessed against other principal executive departments and agencies. Such user fees shall be based upon services provided by the department of information technology.

Paid advertisements; private or public funding sources; unexpended revenues; development of search functions; privacy policy; report.

Sec. 572. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection will be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The department of information technology may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web

pages. A private or public funding source may receive recognition in the web page. The department of information technology may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of information technology under subsections (1) and (2) are appropriated and allotted when received and may be expended upon receipt.

(4) Except as excluded under subsection (1), any unexpended revenue received under this section shall not lapse to the general fund and shall be available for future appropriations.

(5) The department of information technology shall develop a search function of all state departments and agencies. This search function shall be easily accessible to visitors on the front page of the state's website.

(6) The privacy policy adopted by the department of information technology shall include the following provisions:

(a) Instruction on how visitors can set their browsers to be warned before each cookie is written to a visitor's computer.

(b) The e-Michigan office will also include instructions for visitors to inform them how to view and remove cookies on their personal computers.

(7) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that all of the following information is available on the department's website:

(a) The amount of gifts, donations, contributions, bequests, and grants of money received by the department of information technology under this section for the immediately preceding fiscal year.

(b) A listing of the expenditures made from the amounts received by the department of information technology as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, bequest, or grant of property other than funding received by the department of information technology under this section for the immediately preceding year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

Agreements to supply information and services.

Sec. 573. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

MAIN; access.

Sec. 574. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

“Information technology services” defined.

Sec. 576. When used in this act, “information technology services” means services involving all aspects of managing and processing information including, but not limited to, all of the following:

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management.
- (f) Information technology contract, project, and procurement management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.
- (i) Software and software licensing.

Michigan public safety communications system.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be deposited to the state general fund pursuant to section 443 of the management and budget act, 1984 PA 431, MCL 18.1443.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and deposited to the state general fund for the immediately preceding 6-month period.

Report; contents.

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

(b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Report; life-cycle of information technology hardware and software.

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Business application modernization project.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds are carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2008.

LEGISLATURE**Receipt, expenditure, and transfer of funds.**

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Expenditure or transfer of funds; approval.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Renovation, operation, and maintenance of Farnum building.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.

National association dues.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council.

Legislative parking facilities.

Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Michigan manual as work project account.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Property management as work project account.

Sec. 606. The appropriation in part 1 to the legislative branch, for property management, is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for the use for which it was intended.

Save the flags fund account.

Sec. 607. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year and shall be carried forward for expenditure in the following fiscal years.

E-Law; designation as work project.

Sec. 608. Funds appropriated in part 1 for e-Law, the legislative council's technology enhancement project, shall be used to support technology improvements for legislative functions performed by the legislative council agencies and to provide greater access to the public regarding legislative information. These funds, along with funds previously appropriated for the legislative session integration system, are designated as a work project and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$3,992,750.00, and the tentative completion date is September 30, 2005.

Unmarried domestic partners; health insurance benefits prohibited.

Sec. 609. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

Audits; judicial branch.

Sec. 611. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Minority- and women-owned accounting firms and accounting firms owned and operated by persons with disabilities.

Sec. 612. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to

subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Legislative auditor general; salary.

Sec. 615. From the funds appropriated in part 1 to the legislative auditor general, the legislative auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Audits, reviews, or investigations requested by legislature.

Sec. 618. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators should include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general will determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of auditor general policy on responding to legislative requests.

DEPARTMENT OF MANAGEMENT AND BUDGET

Acquisition and distribution of federal surplus property; use of proceeds.

Sec. 701. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Workshops and seminars.

Sec. 702. The department of management and budget may receive and expend funds in addition to those authorized in part 1 for conducting training and orientation workshops and seminars that are consistent with the programmatic mission of the individual unit sponsoring or coordinating the program.

Additional funds.

Sec. 703. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

(2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engi-

neering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.

(3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Child care information and referral services, severance pay funds, and professional development funds.

Sec. 705. (1) The appropriation in part 1 to the department of management and budget, for statewide appropriations from employer contributions, represents amounts included within the various appropriations for longevity and insurance, whether appropriated as a single line item or commingled with program line items, throughout state government for the current fiscal year for purposes of funding the child care information and referral services, severance pay funds, and professional development funds included within statewide appropriations. Deposits against the interdepartmental grant from employer contributions shall be made from assessments levied against the longevity and insurance appropriations during the current fiscal year in a manner prescribed by the department of management and budget. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) From the funds appropriated in part 1 to the department of management and budget for professional development funds and child care information and referral services, the department of management and budget may expend funds for staff support associated with administration of the professional development funds and child care information and referral services in amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process.

(3) In addition to the funds appropriated in part 1 for severance pay funds, the department of management and budget may receive and expend funds from other state agencies for staff support associated with the administration of these funds.

(4) In addition to the funds appropriated in part 1 to the department of management and budget, for statewide appropriations from employer contributions, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsections (1), (2), and (3).

Special revenue internal service and pension trust funds.

Sec. 706. To the extent a specific appropriation is required for a detail source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Donated annual leave and administrative leave bank transfer.

Sec. 708. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Project MAIN; source of financing.

Sec. 709. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Building occupancy charges and parking charges.

Sec. 710. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Computer software development, hardware acquisition, or quality assurance; contracts.

Sec. 713. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions exceeding \$500,000.00 to current contracts for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Invitations for bids and requests for proposals.

Sec. 715. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Vietnam veterans memorial monument fund.

Sec. 716. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Michigan veterans' memorial park commission.

Sec. 717. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Funds collected under administrative procedures act of 1969 and legislative council act.

Sec. 718. Funds collected by the department of management and budget under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the costs of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Motor vehicle fleet.

Sec. 719. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department.

(3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department shall have the authority to assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) It is the intent of the legislature that the department of management and budget complete a project plan which results in the reduction of expenditures related to vehicle travel services, to include a reduction in the number of state vehicles in the motor vehicle fleet. The department shall report quarterly to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the status of the project plan to reduce vehicle travel service expenditures and the number of cars in the motor vehicle fleet.

DEPARTMENT OF STATE**Funds available under insurance code of 1956.**

Sec. 801. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to

be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sale of records.

Sec. 802. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The department shall use the revenue received from the sale of records for necessary expenses as appropriated in part 1. The balance of the fee revenue remaining on September 30 shall revert to the general fund.

Manufacture of vehicle registration plates; agreements with department of corrections.

Sec. 803. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Manuals and publications under Michigan vehicle code.

Sec. 804. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

(3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

(4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term “manuals and other publications” means videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Publication costs.

Sec. 805. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Traffic accident records program.

Sec. 806. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$315,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Cash shortages created from normal branch office operations; use of restricted funds.

Sec. 807. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Commemorative and specialty license plate fee revenue.

Sec. 808. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the Michigan transportation fund in addition to the amount appropriated in part 1 to the department of state shall be available for other Michigan transportation fund-supported programs.

Olympic education training fund.

Sec. 809. Funds or revenues in the Olympic education training center fund, after deducting manufacturing and administrative costs, are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Automotive repair facilities; training fund.

Sec. 810. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Michigan organ donor program; public information campaign.

Sec. 811. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The department may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

(3) Funds received under this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available for expenditure for the purposes described in this section.

Collector plate and fund-raising registration plate.

Sec. 812. Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

Organ donor program; pamphlet.

Sec. 813. (1) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(2) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

Secretary of state branch offices; closure or consolidation.

Sec. 814. The department shall consult with the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the projected closing or consolidation of any secretary of state branch offices.

Credit and debit card services; service assessment.

Sec. 815. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Administration of MCL 257.201 to 257.259; use of funds to defray expenses.

Sec. 816. In addition to the funds appropriated in part 1, funds collected by the department of state under section 248j of the Michigan vehicle code, 1949 PA 300, MCL 257.248j, may be used to defray expenses of the secretary of state in administering chapter II of the Michigan vehicle code, 1949 PA 300, MCL 257.201 to 257.259. Funds shall be available for expenditure after approval of transfers by both the senate and house of representatives standing committees on appropriations in accord with the provisions of section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Motorcycle safety education program; grants and administration.

Sec. 817. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third party testers, and inspecting training sites.

DEPARTMENT OF TREASURY

OPERATIONS

Debt service on notes and bonds.

Sec. 901. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

Collection of taxes and accounts due; contracts with private collection agencies and law firms.

Sec. 902. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by the contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) In cases in which the department of treasury is unable to collect defaulted student loans, the department shall explore the feasibility of donated services in lieu of repayment. The department of treasury shall file a report by January 1 with the senate and house of representatives standing committees on appropriations subcommittees on

general government on the implementation status of this section, along with any suggested statutory changes.

(4) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Investment service fee.

Sec. 903. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations concerning the performance of each portfolio by investment advisor.

Tax manual; sale.

Sec. 904. The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of printing. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

Audits.

Sec. 905. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by

certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Assessor certification and training fund.

Sec. 906. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$25.00, an initial certification fee of \$35.00, an annual renewal fee of \$50.00 for levels 1 and 2 and \$95.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Home heating assistance program.

Sec. 907. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Airport parking tax; distribution of revenue.

Sec. 908. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Bottle deposit fund; disbursement.

Sec. 909. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

Refundable income tax credits; payment.

Sec. 910. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Garnishment action; fee.

Sec. 911. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Assessments of senior citizen cooperative housing units; appraisal or appeal.

Sec. 912. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Local government infrastructure and private facility projects; loans.

Sec. 913. The state treasurer may make loans to local units of government from the state's common cash fund to implement local government infrastructure and private facility projects that will ultimately use long-term debt to finance the costs. These loans may be made at any time and shall be repaid, in full, not later than 12 months after the date of the loan. In addition to the full repayment of the loan principal, the borrowing unit shall pay interest at the average rate earned on common cash investments during the period of the loan. The total of all outstanding loans shall not exceed \$50,000,000.00 in the aggregate and no single loan shall exceed \$7,500,000.00.

Ehlers internship award.

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

State campaign fund.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2003. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2006 shall revert to the general fund.

Customized unclaimed property listings; availability.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Write-offs and advances.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Tax orientation workshops and seminars.

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Auditing and collecting unclaimed property.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Lands transferred to federal government; payment.

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

Revenue collected under tobacco products tax act.

Sec. 921. All of the revenue collected under section 12(3)(a) of the tobacco products tax act, 1993 PA 327, MCL 205.432, is appropriated to the health and safety fund of this state for distribution as set forth in the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

Reimbursement to public libraries under Michigan renaissance zone act.

Sec. 922. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2003. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury certifies to the department that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Michigan transportation fund revenue; amount and cost of collection.

Sec. 923. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Audit and collection procedures; handbook; publication requirement.

Sec. 924. Notwithstanding any other provision of this act, the department of treasury shall not expend any funds on initiating a new audit of any taxpayer until the department fully and completely complies with section 4(3) of 1941 PA 122, MCL 205.4. This provision shall not require the department to disclose audit selection or processing criteria as provided by section 28(1)(f) of 1941 PA 122, MCL 205.28. The department shall publish the required handbook which informs taxpayers and tax preparers of audit and collection procedures used by the department and procedures which govern departmental communications with taxpayers in the audit and collection process. The department may comply with this publishing requirement by making the audit information available to taxpayers and tax preparers through the department's website on the Internet.

Homestead property tax exemption audits; report.

Sec. 925. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend homestead property tax exemption audit fund revenue for administration of homestead property tax exemption audits consistent with the provisions of Enrolled Senate Bill No. 520 of the 92nd Legislature.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for homestead property tax exemption audits under subsection (1).

Grants to cities, townships, or counties under MCL 211.22a.

Sec. 926. From the amounts appropriated in part 1 for grants to local government for activity under MCL 211.22a, the department of treasury shall provide grants to cities, townships, or counties for the sole purpose of paying a portion of the costs of the activity undertaken under section 22a of the general property tax act, 1893 PA 206, MCL 211.22a, under contracts approved by the department of treasury. The total grants provided under this section shall not exceed \$7,000,000.00 for the 2003-2004 fiscal year.

User services for other departments and agencies.

Sec. 940. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Data or collection services.

Sec. 941. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service.

Accounts receivable collection services.

Sec. 942. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Fees assessed against restricted funds.

Sec. 943. The appropriation in part 1 to the department of treasury, for treasury fees, shall be assessed against all restricted funds that contribute to the total value of state managed investments in the ratio each restricted fund contributes to the total value of state managed investments. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

Revenue received under Michigan education trust act; expenditures.

Sec. 950. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

MEAP administration; tests to nonpublic schools and home-schooled students.

Sec. 951. (1) From the funds appropriated in part 1 for the Michigan merit award board/MEAP administration, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

(3) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual student scores and the percentage of students choosing each possible response.

Michigan education savings program; state match.

Sec. 952. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive

program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Revenue received under hospital finance authority act; expenditures.

Sec. 960. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Revenue received under shared credit rating act; expenditures.

Sec. 961. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Funds related to Michigan higher education facilities authority; separate account.

Sec. 962. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Revenue received under Michigan public educational facilities authority; expenditures.

Sec. 963. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Revenue received under Michigan broadband development authority act.

Sec. 964. The department of treasury may expend revenues received under the Michigan broadband development authority act, 2002 PA 49, MCL 484.3201 to 484.3225, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

REVENUE SHARING**Revenue sharing grants to townships, cities, and villages; distribution.**

Sec. 970. (1) Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships, cities, and villages on a population basis as specified by law. The appropriation in part 1 for statutory state general revenue sharing grants to townships, cities, and villages shall be reduced by an amount equal to any additional constitutional revenue sharing appropriations authorized in this section.

(2) The appropriation in part 1 for statutory state general revenue sharing grants shall be distributed according to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Undistributed funds shall lapse to the general fund.

Compliance of county treasurers with MCL 388.1751.

Sec. 971. County treasurers shall comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, to receive funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments. The payment of funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments shall not be withheld if a local unit of government or the department of treasury fails to provide a county treasurer with information necessary to comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

LOTTERY**Implementing and operating lottery games.**

Sec. 980. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Promotional efforts; restriction.

Sec. 981. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Use of professional or amateur sports figures.

Sec. 982. The funds appropriated in part 1 to the bureau of state lottery shall not be used to directly or indirectly associate professional or amateur sports figures with the lottery or its products.

Strategies to increase lottery ticket sales; project plan; report.

Sec. 983. The bureau of state lottery shall complete a project plan which includes new strategies for the bureau to use in its efforts to increase lottery ticket sales, and improvements they are going to make on how they expend funding for advertising and promotion. The bureau of state lottery shall report quarterly to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the status of the project plan to increase lottery ticket sales and improve expenditure of funds.

CASINO GAMING**Wagering tax; deposit in state school aid fund.**

Sec. 990. Revenue collected by the Michigan gaming control board regarding the wagering tax imposed on adjusted gross receipts received by the licensee from gaming authorized under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, at the rate of 8.15% is appropriated and shall be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

Deposit in compulsive gaming prevention fund.

Sec. 991. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Casino gaming oversight.

Sec. 992. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Local revenue sharing board.

Sec. 993. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

State services fee fund; insufficient revenue.

Sec. 994. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 of this act for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

REVENUE STATEMENT

Fund balances and estimates.

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS
(Amounts in millions)
Fiscal Year 2003-2004

	Fund #	Beginning Unreserved		Ending Balance
		Fund Balance	Estimated Revenue	
OPERATING FUNDS				
General.....	0110	0.0	20,829.9	0.0
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	0.0	0.0	0.0
Game and fish protection	0112	12.8	63.0	8.0
Michigan employment security act administration.....	0113	1.2	102.9	1.3
State aeronautics	0114	0.0	57.8	0.0
Michigan veterans' benefit trust.....	0115	0.0	2.5	0.0
State trunkline	0116	0.0	1,748.2	0.0
Michigan state waterways	0117	0.5	24.1	0.2
Blue Water Bridge	0118	0.0	13.2	0.0
Michigan transportation	0119	0.0	2,118.8	0.0
Comprehensive transportation.....	0120	0.0	297.5	0.0
School aid	0122	0.0	12,359.2	0.0
Marine safety.....	0123	0.0	5.0	0.0
Game and fish protection trust	0124	0.0	17.4	0.0
State park improvement	0125	3.8	31.5	3.0
Forest development	0126	4.0	22.3	0.0
Michigan civilian conservation corps endowment.....	0128	0.2	2.3	0.0
Michigan natural resources trust	0129	0.0	49.4	0.0

Michigan state parks endowment	0130	11.2	21.7	11.2
Safety education and training	0131	1.6	7.6	0.0
Uninsured employers' security	0135	0.0	0.0	0.0
Bottle deposit	0136	0.0	24.7	0.0
State construction code	0138	8.5	11.0	9.0
Children's trust	0139	1.0	3.2	1.1
State casino gaming	0140	2.0	28.8	3.3
Homeowner construction lien recovery	0141	1.2	4.4	4.5
Michigan nongame fish and wildlife	0143	0.4	0.9	0.3
Michigan merit award trust.....	0154	0.0	227.8	0.0
Tobacco settlement trust.....	0155	12.0	76.0	0.0
Michigan underground storage tank finance assurance.....	0160	0.0	0.0	0.0
TOTALS.....		\$60.4	\$38,151.1	\$41.9

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 12, 2003.

[No. 162]

(SB 265)

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2004; 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

Appropriations; state transportation department.

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, 2004, 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	3,050.3		
GROSS APPROPRIATION		\$	3,136,377,100
Total interdepartmental grants and intradepartmental transfers		\$	0
ADJUSTED GROSS APPROPRIATION.....		\$	3,136,377,100
Federal revenues:			
DOT, federal transit act			52,600,000

	For Fiscal Year Ending Sept. 30, 2004
DOT-FHWA, highway research, planning, and construction.....	\$ 909,555,100
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT	3,000,000
Total federal revenues.....	\$ 965,255,100
Special revenue funds:	
Total local revenues	5,800,000
Total private revenues.....	0
Total local and private revenues.....	5,800,000
Michigan transportation fund.....	1,078,440,600
Economic development fund.....	57,315,000
State trunkline fund.....	751,627,900
State aeronautics fund.....	12,777,000
Comprehensive transportation fund	246,348,500
Blue Water Bridge fund.....	15,813,000
Intercity bus equipment fund.....	1,000,000
Rail preservation fund.....	2,000,000
Total other state restricted revenues.....	2,165,322,000
State general fund/general purpose	\$ 0

Debt service.

Sec. 102. DEBT SERVICE

State trunkline	\$ 79,246,800
Economic development	16,804,800
Critical bridge	3,000,000
Blue Water Bridge	2,503,600
Airport safety and protection plan.....	5,000,000
Comprehensive transportation.....	28,720,500
GROSS APPROPRIATION.....	\$ 135,275,700
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	24,000,000
Special revenue funds:	
Comprehensive transportation fund	28,720,500
Michigan transportation fund.....	3,000,000
State trunkline fund.....	55,246,800
Blue Water Bridge fund.....	2,503,600
Economic development fund.....	16,804,800
State aeronautics fund.....	5,000,000
State general fund/general purpose	\$ 0

Interdepartment and statutory contracts.

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....	20,000,000
MTF grant to legislative auditor general	181,100
MTF grant to department of treasury	6,700,000
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	1,434,000

	For Fiscal Year Ending Sept. 30, 2004
STF grant to department of state police	\$ 6,853,300
STF grant to department of history, arts, and libraries.....	128,100
STF grant to department of treasury	29,100
STF grant to legislative auditor general	371,100
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.....	39,400
SAF grant to department of history, arts, and libraries	3,500
SAF grant to department of treasury	62,600
SAF grant to legislative auditor general.....	16,600
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.....	65,800
CTF grant to department of history, arts, and libraries	5,900
CTF grant to department of treasury	5,300
CTF grant to legislative auditor general.....	47,400
GROSS APPROPRIATION.....	\$ 41,791,100
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund	345,900
Michigan transportation fund	27,765,900
State aeronautics fund.....	297,500
State trunkline fund.....	13,381,800
State general fund/general purpose	\$ 0

Executive direction.

Sec. 104. EXECUTIVE DIRECTION

Full-time equated unclassified positions	6.0
Full-time equated classified positions	33.3
Unclassified salaries	\$ 532,200
Asset management council.....	1,626,400
Commission audit—33.3 FTE positions.....	2,948,400
GROSS APPROPRIATION.....	\$ 5,107,000
Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,626,400
State trunkline fund	3,480,600
State general fund/general purpose	\$ 0

Administrative services.

Sec. 105. ADMINISTRATIVE SERVICES

Full-time equated classified positions	70.5
Administration—30.5 FTE positions	\$ 3,089,300
Property management	6,921,500
Human resources—31.0 FTE positions	2,478,300
Economic development administration—9.0 FTE positions.....	759,500
Worker's compensation.....	3,136,000
GROSS APPROPRIATION.....	\$ 16,384,600

For Fiscal Year
Ending Sept. 30,
2004

Appropriated from:

Special revenue funds:

Economic development fund.....	\$	500,700
State aeronautics fund.....		630,400
Comprehensive transportation fund		1,382,900
Michigan transportation fund.....		81,500
State trunkline fund.....		13,789,100
State general fund/general purpose	\$	0

Information technology.

Sec. 106. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	26,135,800
GROSS APPROPRIATION.....	\$	<u>26,135,800</u>

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction.....		555,100
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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		25,089,100
State general fund/general purpose	\$	0

Bureau of finance and administration.

Sec. 107. BUREAU OF FINANCE AND ADMINISTRATION

Full-time equated classified positions.....		271.5
Administration—271.5 FTE positions	\$	21,839,900
GROSS APPROPRIATION.....	\$	<u>21,839,900</u>

Appropriated from:

Special revenue funds:

Michigan transportation fund.....		1,127,500
State trunkline fund.....		20,712,400
State general fund/general purpose	\$	0

Bureau of transportation planning.

Sec. 108. BUREAU OF TRANSPORTATION PLANNING

Full-time equated classified positions.....		173.0
Administration—173.0 FTE positions	\$	23,501,700
Grants to regional planning councils.....		488,800
GROSS APPROPRIATION.....	\$	<u>23,990,500</u>

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction.....		16,000,000
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Special revenue funds:

State aeronautics fund.....		195,700
Comprehensive transportation fund		1,033,300
Michigan transportation fund.....		5,233,800

		For Fiscal Year Ending Sept. 30, 2004
State trunkline fund	\$	1,527,700
State general fund/general purpose	\$	0

Bureau of highways.

Sec. 109. BUREAU OF HIGHWAYS

Full-time equated classified positions		1,635.4
Engineering operations—924.4 FTE positions	\$	39,757,100
Maintenance operations—77.0 FTE positions		6,928,300
Program services—634.0 FTE positions		29,998,000
GROSS APPROPRIATION	\$	<u>76,683,400</u>
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction.....		5,000,000
Special revenue funds:		
Michigan transportation fund		3,901,700
State trunkline fund		67,781,700
State general fund/general purpose	\$	0

Highway maintenance.

Sec. 110. HIGHWAY MAINTENANCE

Full-time equated classified positions		692.6
State trunkline operations—692.6 FTE positions	\$	98,681,500
Contract operations		135,347,100
GROSS APPROPRIATION	\$	<u>234,028,600</u>
Appropriated from:		
Special revenue funds:		
State trunkline fund	\$	234,028,600
State general fund/general purpose	\$	0

Road and bridge programs.

Sec. 111. ROAD AND BRIDGE PROGRAMS

State trunkline federal aid and road and bridge construction	\$	961,340,100
Local federal aid and road and bridge construction.....		226,500,000
Grants to local programs		33,000,000
Rail grade crossing		3,000,000
Critical bridge fund		5,750,000
County road commissions.....		637,523,400
Cities and villages.....		355,447,800
GROSS APPROPRIATION	\$	<u>2,222,561,300</u>
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction.....		864,000,000
Special revenue funds:		
Local funds.....		5,000,000
Blue Water Bridge fund		3,000,000
Michigan transportation fund		1,033,971,200
State trunkline fund		316,590,100
State general fund/general purpose	\$	0

For Fiscal Year
Ending Sept. 30,
2004

Blue water bridge.

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.....		\$	<u>10,265,500</u>
Appropriated from:			
Special revenue funds:			
Blue Water Bridge fund.....			10,265,500
State general fund/general purpose		\$	0

Transportation economic development fund.

Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Forest roads		\$	5,040,000
Rural county urban system			2,500,000
Target industries/economic redevelopment			17,966,200
Urban county congestion.....			7,233,100
Rural county primary			<u>7,233,100</u>
GROSS APPROPRIATION.....		\$	<u>39,972,400</u>
Appropriated from:			
Special revenue funds:			
Economic development fund.....			39,972,400
State general fund/general purpose		\$	0

Bureau of aeronautics.

Sec. 114. BUREAU OF AERONAUTICS

Full-time equated classified positions.....	56.0		
Administration—56.0 FTE positions		\$	5,918,900
Air service program.....			<u>600,000</u>
GROSS APPROPRIATION.....		\$	<u>6,518,900</u>
Appropriated from:			
Special revenue funds:			
State aeronautics fund.....			6,518,900
State general fund/general purpose		\$	0

Bureau of urban and public transportation.

Sec. 115. BUREAU OF URBAN AND PUBLIC TRANSPORTATION

Full-time equated classified positions.....	85.0		
Administration—85.0 FTE positions		\$	6,650,000
GROSS APPROPRIATION.....		\$	<u>6,650,000</u>
Appropriated from:			
Special revenue funds:			
Comprehensive transportation fund			4,952,600
Michigan transportation fund			1,697,400
State general fund/general purpose		\$	0

Bus transit division: statutory operating.

Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating.....		\$	161,700,000
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	For Fiscal Year Ending Sept. 30, 2004
Nonurban operating/capital	\$ 10,900,000
GROSS APPROPRIATION	\$ 172,600,000
Appropriated from:	
Federal revenues:	
DOT, federal transit act	10,700,000
Special revenue funds:	
Comprehensive transportation fund	161,700,000
Local funds	200,000
State general fund/general purpose	\$ 0

Intercity passenger and freight.

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
Freight preservation and development	5,692,900
Rail infrastructure loan program.....	100,000
Intercity bus service development.....	2,950,000
Marine passenger service.....	800,000
Terminal development	2,884,800
GROSS APPROPRIATION	\$ 28,727,700
Appropriated from:	
Federal revenues:	
DOT, federal transit act	1,600,000
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

Public transportation development.

Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services	\$ 3,939,500
Municipal credit program.....	2,000,000
Bus capital.....	53,049,500
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	6,000,000
GROSS APPROPRIATION	\$ 67,844,700

	For Fiscal Year Ending Sept. 30, 2004
Appropriated from:	
Federal revenues:	
DOT, federal transit act	\$ 40,300,000
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

Total state spending; payments to local units of government.

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 2003-2004 is \$2,165,322,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$1,237,265,900.00. 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	22,006,200
Grants to cities and villages	355,447,800
Grants to county road commissions	637,523,400
Critical bridge fund	5,750,000
Grants to regional planning councils	488,800
Local bus operating	161,700,000
Bus capital	13,699,500
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	\$ 1,237,265,900

Appropriations subject to MCL 18.1101 to 18.1594.

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.

Definitions.

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/HSPT” 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.

Billing by department of civil service.

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.

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new 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.

Privatization; project plan.

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.

Reporting requirements; use of Internet.

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.

Purchase of foreign goods or services.

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.

Businesses in deprived and depressed communities; contracts to provide services or supplies.

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.

Receipt and retention of reports.

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.

Technology-related services; user fees.

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.

Information technology as work projects.

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

Permit fees; public hearings.

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 an increase 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. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275 and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Money received by legislative district; report.

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.

Bid documentation; confidentiality.

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.

Space on public passenger transportation properties; rental.

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.

Charges to transportation funds by state departments; audit.

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, 2004.

Highway construction projects; 5-year plan.

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.

Construction and maintenance; compliance with contract specifications; report.

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.

Reduction of administrative costs.

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

Transportation commission meetings; minutes.

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.

Federal advance construction program; limitation.

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.

State trunkline fund; carrying forward unexpended funds.

Sec. 312. At the close of the fiscal year ending September 30, 2004, 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.

State infrastructure bank fund.

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.

Internal auditor report.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on May 1, 2004 and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

(a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.

(b) The time charged to each work activity, including time charged to each audit, review, or investigation.

(c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Rest area; signs.

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.

Construction zone traffic enforcement.

Sec. 324. From the funds appropriated in part 1, \$500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the

“give ’em a brake” campaign. 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.

All-season road network.

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, 2004.

(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, 2005.

Contractor payment process.

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.

Local federal aid project.

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.

Multi-modal transportation services.

Sec. 361. (1) The bureau of multi-modal transportation services shall prepare an annual management plan that defines and justifies its program functions, its role in comprehensive transportation programs, and the administrative costs of all full-time equated classified positions in the bureau. On or before January 1, 2004, this plan shall be submitted to the state transportation commission, the senate and house appropriations subcommittees on transportation, and the senate and house standing committees on transportation.

(2) Beginning October 1, 2003, the bureau of multi-modal transportation services shall conduct its functions only under formal program policies adopted by the state transportation commission and as required by state and federal law.

Approaching and passing stationary emergency vehicle; informing public.

Sec. 362. The department shall work with law enforcement agencies to inform the motoring public of the duty imposed by section 653a of the Michigan vehicle code, 1949 PA 300, MCL 257.653a, to exhibit due care and caution upon approaching and passing a stationary authorized emergency vehicle. The information campaign shall include signage, including signage erected at freeway rest areas.

Log truck accidents; study.

Sec. 363. From the funds appropriated in part 1, sufficient funds shall be granted to Michigan Technological University to complete a study of the distribution and nature of log truck accidents and the characteristics of log trucks and log loads. The study shall consider alternative designs for log trucks and trailers, including crib vehicles on which logs are loaded lengthwise. The findings of this study shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director.

Full-service stations; identification.

Sec. 364. From the funds appropriated in part 1, \$25,000.00 shall be appropriated to assist disabled and veterans groups in identifying “full-service” service stations in Michigan that assist persons with disabilities. Data developed from this effort shall be made available to the public through the Michigan.gov website or through links from the Michigan.gov website to other relevant websites.

FEDERAL**Distribution of federal amounts and categories.**

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.

DOT-FHWA, highway research, planning, and construction federal funds; allocations.

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.

Improvement of I-94 in Kalamazoo county; designation of funds.

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. Twenty percent of all 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 10o of 1951 PA 51, MCL 247.660o.

MICHIGAN TRANSPORTATION FUND

Deposit of money received under motor carrier act.

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.

Audits and investigations by department of treasury.

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.

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

Economic development fund and critical bridge fund.

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.

Contracts between department and state agencies; execution; report.

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) Two months after publication of the state of Michigan comprehensive annual financial report, 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.

Cutting down and/or removing tree or vegetation.

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.

STATE TRUNKLINE FUND**Performance and road construction warranties.**

Sec. 601. The department shall work with the road construction industry and engineering consulting community 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, 2004 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.

Manufactured pipe; use for road construction drainage; requirements.

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.

Traffic congestion; evaluating criteria.

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, 2004. 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.

Unsafe pedestrian crossings on state highways.

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.

Truck inspection stations.

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, 2004, \$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.

Removal of animal remains.

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.

Pavement marking materials.

Sec. 611. From the appropriations in part 1, the department shall use high-quality pavement marking materials for all state trunkline projects with a design life of 10 years or greater. The department shall coordinate with material suppliers, equipment manufacturers, and application contractors to ensure cost-effective improvements in durability and retro-reflectivity. The department shall identify pilot projects for demonstration of wet reflective characteristics. The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 31, 2005, that provides a report on the wet reflective pilot projects and the use of high-quality pavement marking materials in coordination with material suppliers, equipment manufacturers, and application contractors.

Contract incentives and disincentives.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2004, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 613. From the funds appropriated in part 1, the department shall address the structural problems with the M-25 bridge in Hume Township resulting from the Schram drain.

Sec. 614. 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, 2004.

Sec. 615. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of Chandler Road and I-69 in Clinton County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2004.

Sec. 616. From the funds appropriated in part 1, the department shall provide funding to the city of Cheboygan for the construction of a bridge to replace the current bridge over the Cheboygan River at Lincoln Avenue in the city of Cheboygan.

Sec. 617. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2004.

Sec. 618. 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. 619. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange on I-275 at Warren Road in Canton Township.

Sec. 620. From the funds appropriated in part 1, the department shall install a traffic light at the intersection of M-37 and Quarterline Street in the city of Newaygo.

Sec. 621. From the funds appropriated in part 1, the department shall install a traffic light on US-31 at the intersection with Bay Harbor in Emmet County.

COMPREHENSIVE TRANSPORTATION FUND

Intercity bus equipment.

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.

Rail or water freight projects.

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.

Abandonment of line; filing by railroad company.

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.

High-speed rail program.

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.

Rail infrastructure loan fund.

Sec. 705. Funds appropriated in part 1 for the rail infrastructure loan program shall be credited to the rail infrastructure loan fund established in section 15a of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

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, 2004.

Public transportation services; grant.

Sec. 707. For the fiscal year ending September 30, 2004, 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.

Private intercity bus carriers; use of state-owned or state-leased buses.

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.

Essential corridor; bus routes.

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.

Establishment of new routes.

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.

Rail service between Grand Rapids and Chicago and Port Huron and Chicago.

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) Any state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago shall be limited to the direct operating costs of rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago. Direct operating costs shall include the costs that are needed to provide staffing for passenger service kiosks at Port Huron, Flint, and East Lansing stations. Direct operating costs shall also include \$100,000.00 for marketing efforts, as further described in subsection (4), related to the Port Huron to Chicago service route. Any state funding provided under this section shall not exceed \$7,100,000.00.

(3) 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 the house and senate fiscal agencies.

(4) The department shall work with the rail carrier, Travel Michigan, local communities, including local chambers of commerce, 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.

(5) The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2004 that provides a 5-year history on services, ridership, and subsidies.

(6) 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 (5) 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.

(7) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

Demand-response services.

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.

Comprehensive transportation fund; estimate of closing balance.

Sec. 715. (1) On or before January 27, 2004, 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, 2003. The estimate shall consider lapsed appropriations from the CTF and revised estimates of state restricted transportation revenue.

(2) On or before February 3, 2004, 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.

Construction of grade separations.

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.

Bus acquisition capital grants.

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.

Job access reverse commute grants; use as match.

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.

Regional transit coordinating council.

Sec. 727. From the appropriation in part 1 for local bus operating grants, the regional transit coordinating council created under section 4a of the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.404a, or its successor agency, shall receive no more than the amount received in the fiscal year ending September 30, 2003, pursuant to 2002 PA 561.

Alternative rail passenger services.

Sec. 728. (1) The department shall work with public agencies and private companies to facilitate the development of multi-modal transportation systems involving the use of magnetic levitation rail systems and solar-powered hydrogen production and hydrogen fuel cell technology. From the funds appropriated in part 1 from the comprehensive transportation fund, notwithstanding section 359, the department may provide funding for research and development, including, but not limited to, preliminary engineering, of alternative rail passenger services along alternative active or inactive rights-of-way for purposes described in this section.

(2) For the purposes of this section, the department may enter into an agreement with a public entity or private company. The public entity or private company may provide information to the department.

Detroit area regional transportation authority.

Sec. 729. (1) From the comprehensive transportation funds appropriated in part 1, no more than \$200,000.00 shall be expended by the department to match federal funds made available to the Detroit area regional transportation authority. The state funds authorized

under this subsection are only available for expenditure to the extent that they are matched equally by local sources of revenue within the Detroit regional transportation authority.

(2) From the comprehensive transportation funds appropriated in part 1, no funds shall be expended toward implementation of an initial comprehensive regional public transportation plan for the Detroit area regional transportation authority until 45 days after the plan has been presented to the senate, the house of representatives, the state budget office, and the department.

Intercity bus carriers; security.

Sec. 730. The state funds appropriated in part 1 for intercity bus service development may be used to address increased security of intercity bus carriers.

Intermodal rail freight facility in southwest Detroit.

Sec. 731. Funds appropriated 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. 732. (1) Eligible governmental agencies as defined in section 10c of 1951 PA 51, MCL 247.660c, that receive operating or capital grants from part 1 of this act, for public transportation services provided by water vehicle, shall not charge fares to school buses. School buses means school buses as defined in section 7 of the pupil transportation act, 1990 PA 187, MCL 257.1807.

(2) The department shall reimburse eligible governmental agencies from the comprehensive transportation fund sufficient revenue to offset farebox revenue not collected from school buses as a result of this section, as documented in agency records. In addition to comprehensive transportation funds appropriated in part 1, there is appropriated from the comprehensive transportation fund sufficient revenue to make the reimbursement required by this subsection.

Statewide maritime development and investments.

Sec. 733. From the funds appropriated in part 1 from the comprehensive transportation fund, the department shall conduct a study of statewide maritime development and investments, including port development and promotion and marketing of passenger and freight service on the Great Lakes. The study shall include an analysis of the activities of port authorities in this state, including an analysis of the costs and benefits associated with the creation of a state port authority. The study shall be completed by April 1, 2004, and study findings shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director.

AERONAUTICS FUND

State aeronautics fund.

Sec. 801. At the close of the fiscal year ending September 30, 2004, 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.

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoes."

Airport safety and protection plan debt service.

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 act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 12, 2003.

[No. 163]**(SB 567)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending sections 3104, 8716, 30104, 30109, 32312, and 32513 (MCL 324.3104, 324.8716, 324.30104, 324.30109, 324.32312, and 324.32513), sections 3104, 30104, 30109, and 32312 as amended by 1999 PA 106 and section 32513 as amended by 2003 PA 14.

The People of the State of Michigan enact:

324.3104 Cooperation and negotiation with other governments as to water resources; alteration of watercourses; federal assistance; report; requests for appropriations; recommendations; permit to alter floodplain; application; fees; disposition of fees; other acts subject to single highest permit fee.

Sec. 3104. (1) The department is designated the state agency to cooperate and negotiate with other governments, governmental units, and governmental agencies in matters concerning the water resources of the state, including, but not limited to, flood control, beach erosion control, and water quality control planning, development, and management. The department shall have control over the alterations of natural or present watercourses of all rivers and streams in the state to assure that the channels and the portions of the floodplains that are the floodways are not inhabited and are kept free and clear of interference or obstruction that will cause any undue restriction of the capacity of the floodway. The department may take steps as may be necessary to take advantage of any act of congress that may be of assistance in carrying out the purposes of this part, including the water resources planning act, Public Law 89-80, 42 U.S.C. 1962 to 1962-1 and 1962a to 1962d-3, and the federal water pollution control act, chapter 758, 86 Stat. 816, 33 U.S.C. 1251 to 1252, 1253 to 1254, 1255 to 1257, 1258 to 1263, 1265 to 1270, 1273 to 1274, 1281, 1282 to 1293, 1294 to 1301, 1311 to 1313, 1314 to 1330, 1341 to 1346, 1361 to 1375, 1376 to 1377, and 1381 to 1387.

(2) The department shall report to the governor and to the legislature at least annually any plans or projects being implemented or considered for implementation and shall include in the report requests for any legislation needed to implement any proposed projects or agreements made necessary as a result of a plan or project, together with any requests for appropriations. The department may make recommendations to the governor on the designation of areawide water quality planning regions and organizations relative to the governor's responsibilities under the federal water pollution control act.

(3) A person shall submit an application for a permit to alter a floodplain on a form approved by the department and shall include information that may be required by the department to assess the proposed alteration's impact on the floodplain. If an alteration includes activities at multiple locations in a floodplain, 1 application may be filed for combined activities.

(4) Except as provided in subsections (5), (6), and (8), until October 1, 2008, an application for a floodplain permit shall be accompanied by a fee of \$500.00. Until October 1, 2008, if the department determines that engineering computations are required to assess the impact of a proposed floodplain alteration on flood stage or discharge characteristics, the department shall assess the applicant an additional \$1,500.00 to cover the department's cost of review.

(5) Until October 1, 2008, an application for a floodplain permit for a minor project category shall be accompanied by a fee of \$100.00. Minor project categories shall be established by rule and shall include activities and projects that are similar in nature and have minimal potential for causing harmful interference.

(6) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department, the department may accept an application for a permit if the application is accompanied by a fee equal to 2 times the permit fee required under subsection (4) or (5).

(7) The department shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113.

(8) A project that requires review and approval under this part and 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

- (a) Part 301.
- (b) Part 303.
- (c) Part 323.
- (d) Part 325.
- (e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

324.8716 Freshwater protection fund.

Sec. 8716. (1) The freshwater protection fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund, including general fund general purpose appropriations, gifts, grants, bequests, and, if provided by law, revenue from the sale of Michigan freshwater protection bonds or the Michigan freshwater protection checkoff on state income and single business tax returns. The director shall annually seek matching general fund general purpose appropriations in amounts equal to the groundwater protection fees deposited into the fund pursuant to this part. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.