



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

April 7, 2015

The Honorable Edward J. Canfield, D.O.
Chairman
House Appropriations Subcommittee on
Transportation
Michigan House of Representatives
Post Office Box 30014
Lansing, Michigan 48909

The Honorable Ken Goike
Chairman
Joint Committee on Administrative Rules
Michigan House of Representatives
Post Office Box 30014
Lansing, Michigan 48909

The Honorable Geoff Hansen
Chairman
Senate Appropriations Subcommittee on
Transportation
Michigan Senate
Post Office Box 30036
Lansing, Michigan 48909

The Honorable James Stamas
Chairman
Joint Committee on Administrative Rules
Michigan Senate
Post Office Box 30036
Lansing, Michigan 48909

Dear Chairmen Canfield, Hansen, Goike and Stamas:

The boilerplate for the Michigan Department of Transportation's current budget requires the submittal of a report that summarizes policy changes made in response to legislation which took effect in the preceding calendar year. This requirement is found in Sec. 263 (1) of Article XVII of Public Act No. 252 of 2014. Enclosed please find the 2014 report which contains the text of the boilerplate requirement as well as the required information for each public act.

Should you have any other concerns or would like to discuss this issue further, please do not hesitate to contact Kelly Bartlett, Governmental Affairs, Senior Policy Legislative Adviser, at (517) 373-3946.

Sincerely,

Kirk T. Steudle
Director

cc: Senate Fiscal Agency
House Fiscal Agency

Boilerplate Requirement

Section 263(1) of Article XVII of Public Act No. 252 of 2014 states:

“Sec. 263. (1) The department shall report no later than April 1, 2015 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.”

Specific Public Acts and Department Response:

Public Act No. 178 of 2013 (Effective date February 24, 2014). Public Act No. 178 was HB 4585 (VerHeulen), and amended the Occupational Code to recognize electronic seals or signatures with the same validity as embossed or printed seals on engineering and surveying documents.

Department Response: The Michigan Department of Transportation is recognizing electronic signatures as part of a broad implementation of electronic contracts and construction documents. It is actively considering how to handle electronic seals from professional engineers. MDOT is a national leader in its use of electronic communications in road construction and maintenance and is committed to reach a resolution on handling electronic seals.

Public Act No. 200 of 2013 (Effective date March 19, 2014). Public Act No. 200 was HB 4242 (Goike) and amended the Administrative Procedures Act of 1969 to add an additional requirement for rule promulgation. Among the existing requirements, executive branch agencies will have to include a new determination with proposed administrative rules. This determination would be that the proposed rule is “necessary and suitable” to achieve its purpose in proportion to the burdens it places on individuals.

Department Response: MDOT has not promulgated any new rules since the effective date of Public Act No. 200, but is aware of the new statutory requirement.

Public Act No. 231 of 2013 (Effective Date March 27, 2014). Public Act No. 231 was SB 169 (Kowall), and sought to provide a regulatory framework for automated motor vehicles, automated technology and related testing.

Department Response: Sec. 665(3) requires MDOT in consultation with the Secretary of State and private industry to report to the legislature by February 1, 2016 on legislative or regulatory action that may be necessary for the continued safe testing of automated vehicles or related technology. Although the report is not due for several more months, MDOT has actively followed the rapid advances in research in automated vehicles and technology, and has been a leading department among the states in examining this technology and the related policy questions. Most notably, Michigan hosted the prestigious 2014 World Congress Intelligent Transport Systems in the fall of 2014 to bring world experts in this area to Detroit. Such activities will be highly useful in informing this report.

Public Act No. 2 of 2014 (Effective Date January 30, 2014). Public Act No. 2 was HB 4629 (Jacobsen), and amended the Highway Advertising Act of 1972 in several ways.

Department Response: In response to Public Act No. 2 and a Federal Highway Administration audit, MDOT has implemented the following changes:

- Revised sign permit standards to reflect new spacing requirements.
- Revised sign permit standards to incorporate new digital billboard permits.
- Revised standards to include notice of cancelled permits.
- Revised permit process to recognize legal/nonstandard/nonconforming signs.
- Revised vegetation maintenance standards and annual fees for permitted billboard vegetation control.
- Establishing public/private Billboard Advisory Council to assist legislative consideration of future billboard issues.
- Revised permit process to identify new National Highway System (NHS) routes under federal "MAP-21" legislation.

Public Act No. 99 of 2014 (Effective Date July 1, 2014). Public Act No. 99 was HB 4593 (Muxlow), and sought to strengthen regulations on the illicit sales of stolen scrap metal. MDOT followed the legislation because of concerns for stolen construction and safety materials.

Department Response: MDOT is supportive of the new law, and will continue to work with law enforcement in addressing issues of stolen or vandalized materials. There are not policy changes required for MDOT. One policy change in the act allows individuals to sell materials owned by governmental units when they have written authorization from the governmental unit. However, MDOT's current process in dealing with materials does not provide for individuals to deal with such sales, and the requirement is not applicable within our practices.

Public Act No. 178 of 2014 (Effective Date September 16, 2014). Public Act No. 178 was HB 5400 (Schmidt) and sought to ease the process by which certain industrial wastes could have a "beneficial reuse" in construction activities including road construction.

Department Response: Sec. 11551 (6) of Public Act No. 178 gives MDOT ultimate discretion over the use or rejection of these industrial materials in road construction. MDOT has used materials in the manner envisioned in Public Act No. 178 for many years. Some of the materials listed in the act have been the subject of MDOT specifications for several years already. Those specifications will remain in place. In addition, MDOT has issued a special provision for industrial by-products and beneficial re-use in future construction contracts. This is designated as 12SP-900A-01. It will be a "Frequently Used Special Provision" for applicable projects, and essentially says that the use of these materials is prohibited unless the use and application is addressed (allowed) elsewhere in the construction contract. This follows the legislative direction of leaving the ultimate decision on the use of these materials to MDOT on a project by project basis.

Public Act No. 301 of 2014 (Effective Date October 9, 2014). Public Act No. 301 was SB 882 (Casperson) which sought to expand the types of employees who must be addressed in reports on employee benefit plans. MDOT is currently able to withhold funding from local units which do not provide this information.

Department Response: The first report with the expanded information requirement is not due until September, 2015. MDOT will monitor compliance with the heightened requirement.

Public Act No. 302 of 2014 (Effective Date October 9, 2014). Public Act No. 302 was SB 1016 (Kahn) which redirected funding from the Transportation Economic Development Fund to the State Trunkline Fund for a single fiscal year to match federal funding.

Department Response: MDOT worked with the State Budget Office to accomplish the shift in funding.

Public Act No. 386 of 2014 (Effective Date December 18, 2014). Public Act No. 386 was SB 1092 (Casperson) which sought to allow placement of temporary traffic control signals on, over or adjacent to the traveled portion of roadways.

Department Response: MDOT will judiciously examine locations where such temporary signals may be appropriate on or adjacent to roadways, and hopes to develop guidance for local road agencies to make similar judgments.

Public Act No. 391 of 2014 (Effective Date December 22, 2014). Public Act No. 391 was SB 940 (Ananich) which sought to include ferrous (steel) construction pipe in the list of materials which qualify for wider loads during transportation. The standard maximum width for vehicles is 96 inches. Specially designated materials or products can be hauled in loads as wide as 108 inches. The law preceding Public Act No. 391 allowed 108 inch wide loads for concrete pipes, but only 96 inch wide loads for ferrous pipes. Public Act No. 391 allows both types of pipes to be transported in 108 inch loads.

Department Response: MDOT will no longer need to approve special permits for loads of ferrous pipes between 96 and 108 inches wide.

Public Act No. 445 of 2014 (Effective Date December 30, 2014). Public Act No. 445 of 2014 was HB 5072 (Pettalia) which sought to replace the former "heritage route" designation for specific roads as "Pure Michigan Byways".

Department Response: MDOT is continuing the ongoing process of reviewing routes for possible designation as part of the Pure Michigan Byway system. Public Act No. 445 requires that no later than December 30, 2015, all heritage route designations in effect on the effective date of Public Act No. 445 will be redesignated as Pure Michigan Byways. MDOT will administer the program accordingly at that time.

Public Act Nos. 467, 468, 470—475 (Effective Date pending voter approval of HJR "UU" on May 5, 2015). HBs 4539, 5477, 4630, 5167, 4251, 5460, 5492 and 5493 were enacted at the end of the 2013-14 legislative session. These bills represent a major transportation funding package, but are tie-barred to Michigan voter approval of House Joint Resolution "UU" on May 5, 2015. These bills have not yet taken effect even though they were passed near the end of 2014.

Public Act No. 563 of 2014 (Effective Date July 1, 2015). Public Act No. 563 was House Bill 4001 (Shirkey) making numerous revisions to the Freedom of Information Act (FOIA), and the process by which citizens can request public information from state agencies.

Department Response: Public Act No. 563 does not take effect until July 1, 2015, but is included because it was one of the final bills passed near the end of 2014. MDOT staff continues to review the act. At this juncture, it appears the department is largely in compliance with the new provisions already. There are potential changes in the frequency in which FOIA fees will be waived, but we do not anticipate significant changes from our current practices.