



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

April 1, 2010

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee
on Transportation
P.O. Box 30036
Lansing, Michigan 48909

The Honorable Lee Gonzales, Chair
House Appropriations Subcommittee
on Transportation
P.O. Box 30014
Lansing, Michigan 48909

The Honorable John Pappageorge, Chair
Joint Committee on Administrative Rules
P.O. Box 30036
Lansing, Michigan 48909

The Honorable Dudley Spade, Chair
Joint Committee on Administrative Rules
P.O. Box 30014
Lansing, Michigan 48909

Dear Senators Hardiman and Pappageorge and Representatives Gonzales and Spade:

Pursuant to section 263(1) of 2009 PA 116, attached is the Michigan Department of Transportation's (MDOT's) report on policy changes made to implement enacted legislation.

If you have any questions, please contact either me or Ron DeCook, MDOT's Director of Governmental Affairs, at (517) 373-3946

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk T. Steudle".

Kirk T. Steudle
Director

Enclosure

**POLICY CHANGES MADE TO IMPLEMENT ENACTED LEGISLATION
PURSUANT TO SECTION 263(1) OF 2009 PA 116**

House Bill 4053, Public Act 74 of 2009

Sponsor: Representative Mike Simpson

The Veterans of Foreign Wars (VFW) National Home for Children is located in Eaton Rapids, Michigan. Only one former resident of the home, Elgie G. Hanna, was killed in action during the Vietnam War. Having graduated from Eaton Rapids High School in 1968, he went on to serve his country in the U.S. Army and was deployed to Vietnam, where he died less than a month later. It has been suggested that a highway be named in honor of Elgie G. Hanna to commemorate his service to the country.

House Bill 4724, Public Act 11 of 2010

Sponsor: Representative Phillip Pavlov

This bill would create the "Blue Water Bridge Expansion Oversight Reporting Act" to require the Michigan Department of Transportation to provide, at reasonable intervals, a written accounting of all expenditures related to the plaza expansion project and written updates as to whether it was staying within the budget for project expenditures, with full explanations for any expenditures beyond those budgeted.

The department is bringing financial and project reporting in line with the new legislative requirements.

House Bill 4830, Public Act 39 of 2009

Sponsor: Rep. Fred Miller

This bill would amend 1966 PA 293, the County Road Law (CRL). PA 293 allows a county with a population of 1.5 million or more that has adopted a charter to reorganize the powers and duties otherwise provided by law for a board of county road commissioners. The reorganization can occur by amendment to the charter.

House Bill 4830 would amend the CRL (MCL 224.6) to allow this reorganization in a county with a population of 750,000 or more that "is adopting" a charter under PA 293, and would allow the reorganization "within the writing of" the charter.

This legislation has no impact on the department.

House Bill 4995, Public Act 147 of 2009

Sponsor: Representative Michael Lahti

This bill would create a new act to require any illustration, image, or depiction of the State of Michigan on a publication or item produced by a State department or agency to include both the Upper Peninsula and the Lower Peninsula.

The requirement would apply to all publications or items, including maps, forms, brochures, pamphlets, and commemorative items, produced by the State on or after the bill's effective date for distribution to any member of the public. It also would apply to digital images made available over the internet by any State department or agency. The requirement would not apply to a publication or item produced before the bill's effective date.

House Bill 4999, Public Act 146 of 2009

Sponsor: Representative Jeff Mayes

Michigan's climate puts significant stress on the State's roads and highways, particularly during the freeze and thaw cycle in the spring. During that period, the ground beneath the road softens as the frost subsides, and roads are more susceptible to damage from heavy vehicles. To help reduce the damage done while the roads are in that weak state, the Michigan Vehicle Code provides for reduced vehicle weight limits during the months of March, April, and May. The dates when the restrictions apply are subject to modification by the Michigan Department of Transportation or a local road agency, which may suspend the limits and impose them at other times, based on road conditions, and may suspend the limits in the interest of public safety, health, and welfare. Also, the seasonal weight restrictions do not apply on some designated all-season roads. Generally speaking, most major highways throughout the State are designated all-season roads while most smaller county roads are subject to the seasonal weight restrictions.

Public utility vehicles, which often carry heavy equipment used to maintain electric lines or water and sewer systems, sometimes exceed the seasonal weight limits. The Code makes an exception for those vehicles under certain circumstances, but some have pointed out that those provisions do not apply to subcontractors, except when they are doing emergency public utility work. Since subcontractors regularly perform maintenance and other work on behalf of utility companies, it has been suggested that the current exemption should apply to subcontractors as well. **CONTENT The bill would amend the Michigan Vehicle Code to include subcontractors in provisions exempting public utility vehicles from seasonal weight limits.**

This legislation has no impact on the Department of Transportation.

House Bills 5072 and 5073, Public Act 136 and 137 of 2009

Sponsor: Rep. Lee Gonzales

House Bill 5072 (S-1) would amend Section 11 of 1987 PA 231 (MCL 247.911), an act which created and governs the Transportation Economic Development Fund (TEDF). TEDF is a state-restricted transportation fund created to help fund highway, road, and street improvements related to either a specific type of economic activity or a specific type of road system. Version S-1 of the bill would reduce the amount allocated to the Targeted Industries program ("Category A") over two fiscal years, FY 2008-09 and FY 2009-10 by \$24 million to reflect in statute the reductions effected through Executive Order 2009-22 (\$12 million), and leadership target agreements for FY 2009-10 General Fund appropriations (\$12 million). [The introduced and House-passed versions of the bill would have reduced the allocation by \$12 million.]

House Bill 5073 (S-1) would amend Section 819 (MCL 257.819) of the Michigan Vehicle Code (1949 PA 300) to redirect to the state General Fund a portion of drivers' license fee revenue currently dedicated to the TEDF. This bill would redirect \$18 million for FY 2008-09 and \$12.0 million for FY 2009-10. With regard to FY 2008-09, only \$12 million is a new redirection from the TEDF to reflect reductions made in Executive Order 2009-22 – \$6 million driver's license fees had previously been redirected to the state General Fund through Public Act 346 of 2008. The bill simply reflects the \$18 million total to be redirected to the General Fund in FY 2008-09 (\$6 million plus \$12 million).

The previous \$6 million amount for FY 2008-09 represented the amount that the TEDF was reduced for FY 2006-07 through Executive Order 2007-3. In effect, budgetary spending authority was reduced by \$6 million in FY 2006-07, but the actual shift of those funds to the state General Fund was not completed until FY 2008-09 – through Public Act 346 of 2008.

The \$12 million redirection for FY 2009-10 reflects leadership target agreements for FY 2009-10 General Fund appropriations. This additional redirection had not been included in the introduced or House-passed versions of the bill.

The department has made the financial changes and transfers from the TEDF accounts to the general fund.

House Bill 5122, Public Act 86 of 2009

Sponsor: Representative Andrew Kandrevas

The bill would amend the Highway Advertising Act as follows:

- Allow the Michigan Department of Transportation (MDOT) to issue a permit for a new sign structure for a religious organization sign or a service club sign measuring less than eight square feet.
- Delete the current \$100 penalty for delinquent payment of an annual permit renewal fee, and provide for a \$20 penalty if the renewal fee were not paid at least 30 days before the permit's expiration date.
- Provide that, for permits having the same expiration date, the maximum amount of increased renewal fees for late payments that could be assessed against one permit holder would be \$10,000.
- Require MDOT to notify a permit holder by certified mail, within 30 days after the permit's expiration date, if the annual renewal fee were not paid.
- Allow MDOT to cancel a permit if the fee were not paid within 60 days after the permit expired.
- Revise the luminescence restrictions for signs that change between two or more static images.

The department has adjusted the signage policies as required by the legislation.

Senate Bill 430, Public Act 89 of 2009

Sponsor: Sen. Gerald Van Woerkom

This bill specifies that in circumstances when a tall structure has the approval of the Federal Aviation Administration and the Michigan Department of Transportation, then a permit or variance for the construction, establishment, alteration, or repair of a tall structure near an airport would not require the approval of an Airport Zoning Board (many of which have disbanded since their creation in the 1950's).

MDOT has adjusted its policies to reflect the new legislation.

Senate Bill 490, Public Act 71 of 2009

Sponsor: Senator Jud Gilbert

The Mackinac Bridge Authority (MBA) historically has maintained insurance on the Mackinac Bridge, although the extent of the coverage has changed over the years. The terms of the bonds issued to fund the construction of the bridge required that it be insured, but since those bonds were repaid in 1986, MBA is no longer legally

required to carry this insurance. After the terrorist attacks on September 11, 2001, insurance premiums increased sharply and, to help control expenses, MBA eliminated some of its liability coverage. In 2005, the Michigan Department of Management and Budget conducted a study showing that MBA could save a significant amount by eliminating its insurance coverage and adopting a form of self-insurance. Historical data shows that annual claims have been minimal compared with the cost of the premiums. Based in part on that study, MBA members and others recommended that the Authority be permitted to establish a self-insurance program.

This bill amended the MBA law to permit them to enter into an agreement with MDOT to provide for the self-insurance of bridge assets and activities.

MBA has adjusted its policies to reflect the legislation.

Senate Bill 1001, Public Act 28 of 2010

Sponsor: Senator Jud Gilbert

MDOT is planning to expand the Blue Water Bridge plaza at the international crossing in the City of Port Huron. Under the Selected Alternative approved by MDOT in May 2009, the existing plaza, which is elevated above Pine Grove Avenue, will be lowered to street level and expanded to accommodate larger traffic volume. Pine Grove Avenue will be rerouted to the west of the new plaza, and other local roads will have to be modified as well. Under the Michigan Transportation Fund law, the City of Port Huron must pay 8.75% of the cost of rerouting those roads. The city's share of the expenses will be between \$500,000 and \$1.9 million, according to the project's Final Environmental Impact Statement, although a portion of those costs could be offset by the value of public land being taken to build the new plaza. Port Huron residents and city officials have objected to sharing those costs since they are necessary to facilitate the plaza expansion, not to benefit the city itself. It has been suggested that the law be changed to excuse the city from paying a portion of the construction costs associated with the plaza expansion.

This bill would amend the Michigan Transportation Fund law to require MDOT to bear the entire cost of projects related to an international border crossing in a city or village having a population of 25,000 or more and less than 40,000.

The department has adjusted its policies to reflect the new requirements of the legislation.