

A REPRINT OF

**ACT 51**  
**PUBLIC ACTS 1951**

AS AMENDED

a part of

MICHIGAN TRANSPORTATION LAW



Issued By

MICHIGAN DEPARTMENT OF TRANSPORTATION

Revised July 25, 1997

**Act 51 (MCL 247.651 et. seq)**  
**Section-by-Section Outline**

<b>Section</b>	<b>Changes</b>
1	Creates state trunkline system and defines who pays for what.
2-5	Establishes systems of county primary roads, county seasonal roads, and county local roads.
6-9	Establishes systems of city or village major streets and city or village local streets.
9a	Mandates needs study and defines its committes (now changed by Executive Order).
10	Establishes Michigan Transportation Fund, defines what revenues can be deposited in it, and defines how it is to be distributed (“external formula”).
10a	Turnback provisions
10b-10n	Establishes Comprehensive Transportation Fund and defines how it spends money.
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12	Defines how counties and ccounty road commissions spend MTF money.
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16	Locals forfeit one year’s revenue if they don’t abide by the provisions of this act.
17	How we get MTF money to locals; Act 51 reporting requirements.
18	Notes, bonds, and indebtednes.
19	Old section about counties taking over roads, streets, and alleys as county roads.
20	Township participation, maintenance contracts for local roads
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24	Refunding bonds
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# ACT 51, PUBLIC ACTS 1951 AS AMENDED

## TITLE

AN ACT to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal certain acts and parts of acts.

The People of the State of Michigan enact:

### **247.651 STATE TRUNK LINE HIGHWAY SYSTEM: ADDITIONS AND DELETIONS. [M.S.A. 9.1097(1)]**

Sec. 1. The state trunk line highway system of this state shall consist of all roads, streets and highways, either located within or outside the limits of incorporated cities and villages now or hereafter constituted state trunk line highways pursuant to the provisions of the statutes of this state. The state highway commissioner may, from time to time, make and establish such subordinate classifications or groupings of state trunk line highways as he deems necessary or desirable for proper administration of the state trunk line highway system. Additions to and deletions from the state trunk line highway system may be made from time to time in the manner prescribed by law. All roads, streets and highways included in the state trunk line highway system, as constituted and defined in this section, shall hereafter be known officially, and may be referred to for all purposes, as state trunk line highways.

### **247.651a. STATE TRUNK LINE HIGHWAY SYSTEM; CONSTRUCTION, MAINTENANCE, IMPROVEMENT; CONTROL OF STATE HIGHWAY COMMISSIONER; CHANGE IN LINE OF ROAD. [M.S.A. 9.1097(1a)]**

Sec. 1a. All state trunk line highways now or hereafter established as provided by law, shall be constructed, maintained and improved in accordance with the provisions of this act under the direction, supervision and control of the state highway commissioner. The commissioner shall make surveys and proper plans and specifications and take charge of the construction and maintenance of the state trunk line highways. For the purposes of securing a more direct

and favorable location, minor changes in the line of any road may be made when, in the judgement of the state highway commissioner, the changes make for the safety of public travel.

**247.651b COST OF MAINTAINING STATE TRUNK LINE HIGHWAYS; FREEWAY LIGHTING. [M.S.A. 9.1097(1b)]**

Sec. 1b. (1) The state transportation department shall bear the entire cost of maintaining, in accordance with standards and specifications of the department, all state trunk line highways including highways within incorporated cities and villages except that the cost of maintaining additional width for local purposes as provided in section 1c shall be borne by the city or village. For the purposes of this act except for Sections 11 and 12, maintaining of state trunk line highways shall include, by way of enumeration but not limitation, snow removal, street cleaning and drainage, seal coating, patching and ordinary repairs, erection and maintenance of traffic signs and markings, freeway lighting for traffic safety in cities and villages having a population of less than 30,000 and the trunk line share of the erection and maintenance of traffic signals, but shall not include street lighting, resurfacing, new curb and gutter structures for widening. On and after January 1, 1970, maintaining of state trunk line highways shall include all freeway lighting for traffic safety.

(2) Notwithstanding any provision of law to the contrary, as part of the construction or reconstruction of a state trunk line highway which abuts a location designated as a national historic landmark pursuant to the national historic preservation act, Public Law 89-665, 80 Stat. 915, and 36 C.F.R. part 65, the department may include within the project, expenditures deemed necessary to mitigate the adverse impact of the state trunk line highway on the aesthetic and historic character of that abutting area. The installation or maintenance of lighting to preserve the aesthetic and historic character of the abutting area shall not impose a duty on the department to provide or maintain lighting for the improved portion of the highway designed for vehicular travel.

(3) The state transportation department shall not use funds allocated under this act for the development or construction of a service plaza.

**247.651c COST OF OPENING, WIDENING, AND IMPROVING STATE TRUNK LINE HIGHWAYS. [M.S.A. 9.1097(1c)]**

Sec. 1c. The state transportation department shall bear the cost of opening, widening and improving, including construction and reconstruction, in accordance with standards and specifications of the department, all state trunk line highways, subject to all of the following provisions:

(a) Incorporated cities and villages shall participate with the department in the cost of opening, widening, and improving, including construction and reconstruction of state trunk line highways within cities and villages to which may be added, subject to the approval of the state transportation commission, streets that are connecting links of trunk line highways or streets as are made connecting links of trunk line highways, according to the following schedule subject to the definition of population as provided in section 13:

(i) In cities and villages having a population of 50,000 or more, 12.5% of the cost shall be borne by the city or village, and 87.5% by the state transportation department.

(ii) In cities and villages having a population of 40,000 or more and less than 50,000, 11.25% of the cost shall be borne by the city or village, and 88.75% by the state transportation department.

(iii) In cities and villages having a population of 25,000 or more and less than 40,000, 8.75% of the cost shall be borne by the city or village, and 91.25% by the state transportation department.

(iv) In cities and villages having a population of less than 25,000, the state transportation department shall bear the entire cost.

(b) As used in this act, "opening, widening, and improving, including construction and reconstruction, of state trunk line highways" includes, but is not limited to, the cost of right of way; the cost of removal and replacement of sidewalks, street lighting, curbing, where removal and replacement is made necessary by construction or reconstruction of a trunk line highway; and the cost of bridges and structures, including that part of the cost of grade separation

structures not paid by the railroad companies.

(c) In a city or village, the width of a state trunk line highway shall be the width required to serve anticipated future traffic needs for a 20-year period as determined by a department transportation survey, which width, except as prescribed by this subdivision, shall not be less than the currently accepted standards prescribed for a 4-lane highway; the width as may be built on the same trunk line route immediately beyond and adjacent to either legal boundary of the city or village; or on trunk lines eligible for federal highway funds, a width as may be prescribed by the federal government, whichever width is greater. However, the department and the governing body of a city or village by mutual agreement may determine that the width of a state trunk line highway shall be less than the width otherwise prescribed by this subdivision.

(d) If a city or village shall desire to widen a state trunk line highway for local purposes beyond the width prescribed in subdivision (c), the entire cost of the extra width, less the federal highway funds which may be allocated to the portion of the project by the department, shall be borne by the city or village.

(e) The state transportation commission and the boards of county road commissioners may enter into agreements with townships or private persons for the improvement or widening of state trunk line highways or county roads. The state transportation commission and the boards of county road commissioners may require full or partial participation in the cost of the improvement or widening by the requesting party as considered appropriate.

**247.651d CONTRACT FOR JOINT PARTICIPATION IN COST; APPROVAL; RENEGOTIATION; LOCAL TAXATION; BONDS; SPECIAL ASSESSMENT. [M.S.A. 9.1097(1d)]**

Sec. 1d. The governing body of a city or village and the state highway commission may enter into a contract to effectuate joint participation in the cost of opening, widening and improving, including construction and reconstruction, of a state trunk line highway, the terms of which contract, when approved by the state administrative board, shall establish the responsibilities of each party and provide for the method of payment for such joint obligations. The agreements may provide for deferring payment by the city or village until the completion of the project. Contracts and agreements between the state highway commission and the legislative body of any city or village, approved by the state administrative board, are authorized and approved whether heretofore or hereafter made. All agreements entered into prior to January 1, 1968, between the state highway department and any city or village pursuant to this act may be renegotiated by the state highway commission for the purpose of providing for participation in the cost of construction between the highway commission and the city or village on the basis of the participation provisions of section 1c. The renegotiation shall be authorized only for all or any part or unit of the state trunk line highway projects which have not been placed under contract for construction by the highway commission on January 1, 1968. Under any contract heretofore or hereafter made which relates to a state trunk line highway project for which federal highway funds are allocated or paid, the portion of the cost to be paid by a city or village shall be in accordance with the percentage of participation required by law at the time the contract was entered into applied to the net cost of the project after deduction from the total cost of all federal highway funds allocated or paid for the project. In all contracts hereafter made an amount equivalent to the federal highway funds for the acquisition of right of way as would have been available if application had been made therefore and approved by the federal government, shall also be deducted from the total cost in determining the net cost. Any city or village paying a portion of the cost of improving trunk lines or trunk line structures, including cost of right of way, within its corporate limits may raise money for that purpose, either by taxation or by the issuance of bonds or short term loans therefor, on the faith and credit of the city or village. The bonds or loans shall not be chargeable against the established bonded debt limit of the city or village, if a special assessment district is established in connection with the improvement. The execution of the contracts or agreements shall not restrict any right of the city or village to establish special assessment districts in connection with the improvements. The construction, maintenance and improvement of the trunk line highways and the direction, supervision and control of same by the state highway commission as provided in sections 1a, 1b, and 1c may be modified in the contracts authorized by this act to such extent as may be agreed upon.

**247.651e CONTRACT WITH CITY OR VILLAGE FOR JOINT PARTICIPATION IN COST; ASSUMPTION BY BOARD OF COUNTY ROAD COMMISSIONERS, APPROVAL. [M.S.A. 9.1097(1e)]**

Sec. 1e. Whenever the board of county road commissioners of any county shall have funds available, the board may enter into a contract or agreement, with any incorporated city or village within the county, assuming the obligations in whole or in part of the city or village undertaken by contract or agreement with the state highway commissioner under the provisions hereof or approved hereby. The board may contract or agree to carry on, in whole or in part, the improvement or construction required thereby, and may institute and conduct condemnation proceedings necessary therefor. No contract or agreement by any board of county road commissioners shall be effective until approved by resolution of the board of supervisors of the county and of the legislative body of the incorporated city or village concerned. The provisions of this section shall not be deemed to abolish, limit or restrict the powers and duties of the state highway commissioner or of incorporated cities or villages as prescribed by this act.

**247.651f STATE TRUNK LINES; CANCELLATION OF MUNICIPAL OBLIGATIONS; ASSUMPTION BY STATE. [M.S.A. 9.1097(1f)]**

Sec. 1f. The obligation of any city under 30,000 population which prior to July 1, 1957 entered into a contract with the state highway department pursuant to the provisions of Act No. 19 of the Public Acts of 1919, as amended, for the construction of state trunk line highways, which highways have been taken over as part of the interstate and defense highway system, is hereby canceled and the city is relieved of any obligation remaining under the contract. The state highway department shall assume the obligation still outstanding under the terms of such a contract upon the effective date of this amendatory act.

Sec. 1g. The department in conjunction with counties and municipalities shall develop and implement a pavement management system for each mile of roadway on the national highway system in Michigan. This pavement management system shall attempt to ensure that a disproportionate share of pavement shall not become due for replacement or major repair at the same time.

Sec. 1h. (1) The department shall develop and implement a life-cycle cost analysis for each project for which total pavement costs exceed \$1,000,000.00 funded in whole, or in part, with state funds. The department shall design and award paving projects utilizing material having the lowest life-cycle cost. All pavement design life shall ensure that state funds are utilized as efficiently as possible.

(2) As used in this section, "life-cycle cost" means the total of the cost of the initial project plus all anticipated costs for subsequent maintenance, repair, or resurfacing over the life of the pavement. Life-cycle cost shall also compare equivalent designs and shall be based upon Michigan's actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, and shall include estimates of user costs throughout the entire pavement life.

**247.652 TENTATIVE SYSTEM OF COUNTY PRIMARY ROADS; SELECTION AND CERTIFICATION; CHECK AND REVIEW; APPROVAL; COUNTY PRIMARY ROAD SYSTEM. [M.S.A. 9.1097(2)]**

Sec. 2. By December 1, 1951, a tentative system of county primary roads shall be selected by the board of county road commissioners in each county and certified to the state transportation department for its approval. Such tentative system of county primary roads shall be selected on the basis of greatest general importance to the county and shall include any such county roads then legally established and existing as such within the limits of incorporated cities and villages. Each such tentative system of county primary roads certified to the state transportation department shall be checked and reviewed under its direction. Within 6 months after receipt by the department of each such certification, the state transportation department shall approve such part of that tentative system of county primary roads as the department determines is appropriate and shall certify to that board of county road commissioners the approved portion of the tentative system and any deletions therefrom. So much of the tentative system of county primary roads of any county as is approved by the state transportation department shall constitute the county primary road system of that county for all purposes and shall be officially known as the county primary road system of that county.

**247.653 TENTATIVE SYSTEM OF COUNTY PRIMARY ROADS; ROADS INCLUDED OR DELETED. [M.S.A. 9.1097(3)]**

Sec. 3. Roads may, from time to time, be included in or deleted from the county primary road system of any county by selection of the county road commission and approval of the state highway commissioner in the same manner and by the same procedure as provided in section 2 hereof for the adoption of any county primary road system in the first instance.

**247.654 TENTATIVE SYSTEM OF COUNTY PRIMARY ROADS; ROADS UNDER JURISDICTION OF COUNTY ROAD COMMISSIONERS; CERTIFICATION AND REVIEW. [M.S.A. 9.1097(4)]**

Sec. 4. All roads under the jurisdiction of the board of county road commissioners in each of the several counties of the state not included in the county primary system as finally approved shall be certified to and reviewed and approved or deleted by the state highway commissioner in the same manner as provided in section 2 hereof for the county primary road system and when finally approved by the state highway commissioner shall constitute and be the county local road system of that county, which may thereafter be added to or deleted from in the same manner as provided in section 3 of this act for the county primary road system.

**247.655 TENTATIVE SYSTEM OF COUNTY PRIMARY ROADS; OFFICIAL NAME; ESTABLISHMENT, CERTIFICATION, AND APPROVAL. [M.S.A. 9.1097(5)]**

Sec. 5. All roads, streets and highways included in the county primary road system of any county shall be officially known as county primary roads, and all roads, streets and highways included in the county local road system of any county shall be officially known as county local roads. For a period of 2 years after the effective date of this act, the primary road system and the local road system in each county, and the mileage in each such system used for all purposes under the provisions of this act, shall be as determined by the state highway commissioner, and thereafter the local road system and the primary road system in each county, and the mileage in each such system used for all purposes under the provisions of this act, shall be as established by certification to and approved by the state highway commissioner pursuant to the provisions of this act.

**247.655a SEASONAL COUNTY ROAD SYSTEM. [M.S.A. 9.1097 (5a)]**

Sec. 5a. (1) The board of county road commissioners of each county may establish a system of seasonal county roads, which may be part of either the county primary road system, the county local road system, or both systems. A board of county road commissioners in establishing a system of seasonal county roads, may declare a road under the jurisdiction of the board to not be open to public travel during the months of November through April, which road shall then not be open to public travel.

(2) The seasonal county road system shall include any road under the jurisdiction of the board of county road commissioners which that board determines shall not be open to public travel each year for a period of less than 12 months. The system of seasonal county roads shall be selected on the basis of seasonal use of the roads and in accordance with rules promulgated by the state transportation department. A board of county road commissioners may include or exclude roads in the seasonal county road system upon adoption of a proper resolution but only after holding a public hearing. Notice of the public hearing shall be given to the clerk of the county and of each city, village, or township in which the roads are situated and published at least twice in a newspaper of general circulation in that county, the first notice to be not less than 30 days before the hearing and the second notice not less than 7 days before the hearing. The notice shall contain the date, time, and place of the hearing and shall describe in general terms the action proposed to be taken by the board, the roads to be affected, and the period of time that the roads shall not be open to public travel. The business which the board may perform at the public hearing shall be conducted at a hearing held in compliance with Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws. In addition to the other notices required by this subsection, public notice of the time, date, and place of the hearing shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended.

If at the hearing an objection is made to the designation of a road as a part of the seasonal county road system by a person occupying a structure located upon or along the road as the person's principal residence, the commissioners shall not designate that road as a part of the seasonal county road system unless the commissioners provide that person with immediate access to a road which is not a part of the seasonal county road system.

(3) Within 30 days after final adoption of a resolution establishing a seasonal county road system, the board of county road commissioners shall file with the state transportation department and each city, village, or township in which the roads are situated a full record of its determination.

(4) The designation of a road as part of the seasonal county road system shall not affect the certification of the road under this act, but if the road is not open to public travel during the months of December to April, the road shall be excluded for purposes of the distribution of snow removal funds under section 12a.

(5) A road included as part of the seasonal county road system shall be excluded for the purposes of determining the distribution of funds under sections 12(4) and 12b for each year in which the road is part of the seasonal county road system.

(6) A map shall be maintained and on display in the office of each board of county road commissioners which has established a seasonal county roads system which shall also inform the public of the dates the road or road shall not open to public travel.

(7) The board shall place and maintain signs on all roads designated as seasonal county roads, which signs shall describe the roads as seasonal county roads.

**247.656 TENTATIVE SYSTEM OF STREETS; SELECTION AND CERTIFICATION; APPROVAL. [M.S.A. 9.1097(6)]**

Sec. 6. Within 6 months from the effective date of this act, a tentative system of major streets shall be selected in each incorporated city and village of the state and certified to the state highway commissioner for his approval. Such tentative system of major streets shall be selected in each incorporated city and village under the direction of the governing body thereof on the basis of greatest general importance to such municipality and shall not include any of the trunk line highways or county roads within the limits of such municipality. Each such tentative system of major streets certified to the state highway commissioner shall be checked and reviewed under his direction. Within 6 months after receipt by him of each such certification the state highway commissioner shall approve such part of that tentative system of major streets as complies with the uniform standards and specifications adopted and established as hereinbefore provided and shall reject and delete any part that does not so comply and shall certify to that city or village the approved portion of the tentative system and any deletions therefrom. So much of the tentative system of major streets of any city or village as is approved by the state highway commissioner shall constitute the major street system of that municipality for all purposes, and shall be known officially as the major street system of that city or village as the case may be.

**247.657 TENTATIVE SYSTEM OF STREETS; INCLUDED OR DELETED. [M.S.A. 9.1097(7)]**

Sec. 7. Streets may, from time to time, be included in or deleted from the major street system of any municipality by selection by the governing body thereof and approval of the state highway commissioner in the same manner and by the same procedure as provided in section 6 hereof for the adoption of any major street system in the first instance.

**247.658 TENTATIVE SYSTEM OF STREETS; STREETS NOT INCLUDED, CERTIFICATION AND APPROVAL. [M.S.A. 9.1097(8)]**

Sec. 8. All streets within the corporate limits and under the jurisdiction of each municipality of the state, exclusive of state trunk line highways and county roads, and not included in the major street system of such municipality as finally approved shall be certified to and reviewed and approved or deleted by the state highway commissioner in the same manner as provided in section 6 hereof for the major street system and when finally approved by the state highway commissioner shall constitute and be the local street system of that city or village, which may thereafter be added to or deleted from in the same manner as provided in section 7 of this act for city or village major street systems.



**247.659 TENTATIVE SYSTEM OF STREETS; OFFICIAL NAME; ESTABLISHMENT AND CERTIFICATION. [M.S.A. 9.1097(9)]**

Sec. 9. All roads, streets and highways included in the major street system of any municipality shall be officially known as city or village major streets as the case may be, and all roads, streets and highways included in the local street system of any municipality shall be officially known as city or village local streets, as the case may be. For a period of 2 years after the effective date of this act, the major street system and the local street system in each city and village, and the mileage in each such system used for all purposes under the provisions of this act, shall be as determined by the state highway commissioner, and thereafter the major street system and the local street system in each city and village, and the mileage in each such system used for all purposes under the provisions of this act, shall be as established by certification to and approval by the state highway commissioner pursuant to the provisions of this act.

**247.659a CONTINUING STUDY OF TRANSPORTATION NEEDS; NEEDS STUDY COMMITTEE; CITIZENS ADVISORY COMMITTEE; QUALIFIED STAFF, NEEDS, TECHNICAL OVERSIGHT, AND FISCAL ANALYSIS SUBCOMMITTEES; RECOMMENDED WORK PROGRAM; REPORT AND RECOMMENDATIONS.**

Sec. 9a. (1) The state transportation commission shall maintain a continuing study of the transportation needs of the state. By December 1, 1987 and every 4 years thereafter, the governor shall appoint not more than 5 persons to 4-year terms, who shall serve as a needs study committee. The appointment shall be subject to the advice and consent of the senate. The committee shall include least 1 representative of the following interests:

- (a) Manufacturing.
- (b) Commerce.
- (c) Agriculture.
- (d) Tourism.
- (e) Labor.

(2) A citizens advisory committee shall be created to receive and comment upon all reports, studies, and recommendations prepared by the various designated technical subcommittees prior to but not later than the submission of the reports, studies, and recommendations to the needs study committee. The members of the citizens advisory committee shall be given sufficient time and opportunity to provide members of the needs study committee their majority, minority, or individual views of the reports, studies, and recommendations of the various designated technical subcommittees. The governor shall appoint not more than 23 persons to 4-year terms, who shall serve as a citizens advisory committee and shall include at least 1 representative of the following organizations:

- (a) Michigan farm bureau.
- (b) Michigan trucking association.
- (c) Michigan association of counties.
- (d) Michigan townships association.
- (e) Michigan state chamber of commerce.
- (f) Michigan tourist association.
- (g) County road association of Michigan.
- (h) Michigan public transit association.
- (i) Michigan association of railroads.
- (j) Michigan municipal league.
- (k) Michigan motor bus association.
- (l) Area agency for aging.
- (m) Michigan association of railroad passengers.
- (n) Nonmotorized advisory commission.
- (o) Michigan association of airport executives.
- (p) American association of aviation businesses.
- (q) American association of retired persons.
- (r) Michigan council for independent living.

(3) The state transportation department shall provide qualified staff, needs, technical oversight, and fiscal analysis subcommittees, and provide by January 1, 1988, a recommended work program to the needs study committee to enable the committee to carry out its functions.

(4) By a majority vote of the needs study committee, the committee shall report to the governor, the state transportation commission, and the legislature on the identified capital and maintenance needs, transportation investment and maintenance priorities, relative use of transportation systems, responsibilities for the identified needs including economic development needs, transportation funding options, historical transportation financing patterns as they relate to total statewide fiscal resources, and strategies for maximizing the returns on transportation investments. All studies and reports relating to highways shall be reported according to functional and legal classification. The committee shall publish a preliminary report of the data and findings by January 1, 1989. The committee, after holding appropriate public hearings, shall recommend, if it considers it necessary, alterations of formulas for transportation funding and alterations to the distributions of transportation responsibilities before January 1, 1990, and before January 1 of each fourth year thereafter. The report and recommendations shall also include any positions which a minority of the needs study committee support.

Sec. 9b. (1) After the effective date of the amendatory act that added this section, the department shall do all of the following regarding contracts to construct or repair roads or bridges:

(a) Establish technical assistance programs to prepare minority business enterprises to compete for contracts.

(b) Assist in creating and developing sources of nontraditional capital to assist minority business enterprises to compete for contracts.

(c) Assist in creating and developing incentives for firms to mentor minority business enterprises to assist minority business enterprises to gain the experience and resources necessary to compete for contracts.

(d) Increase information programs to inform minority business enterprises of opportunities to compete for contracts.

(2) The department shall notify the majority and minority chairpersons of the house and senate appropriations committees and the majority and minority chairpersons of the house and senate committees that consider transportation matters of each contract awarded to minority business enterprises under this section.

(3) As used in this section:

(a) "Minority business enterprise" means a business enterprise located within an empowerment zone or an enterprise zone that is owned or controlled solely by 1 or more socially or economically disadvantaged persons. The disadvantage may arise from cultural, racial, gender, or chronic economic circumstances or background, or other similar cause.

(b) "Empowerment zone" means an area designated as an empowerment zone by the United States department of housing and urban development.

(c) "Enterprise zone" means a neighborhood enterprise zone designated under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.787.

(4) After the effective date of the amendatory act that added this section, the department shall do all of the following regarding contracts to construct or repair roads and bridges:

(a) Consult with the Michigan state chamber of commerce and the Michigan minority business development council on requests for proposals and requests for quotations to ensure competitive and inclusive strategies which ensure an inclusive and competitive bid environment.

(b) Appoint not less than 1 representative from the Michigan minority business development council and the DBE division of the Michigan department of transportation to all requests for proposal and quote review panels.

(c) Establish within the DBE division of the Michigan department of transportation a surety division to assist qualified bidders in securing bonding and in monitoring vendor and supplier payments.

**247.660 MICHIGAN TRANSPORTATION FUND; ESTABLISHMENT; SEPARATE FUND; DEPOSITS; EXPENSES; DEDUCTIONS; APPORTIONMENT AND APPROPRIATION OF MONEY; USE OF MONEY APPROPRIATED; PROGRAMS; DISTRIBUTION FORMULA; ALLOCATION TO TRANSPORTATION ECONOMIC DEVELOPMENT FUND; DIVISION OF FUNDS.**

Sec. 10. (1) A fund to be known as the Michigan transportation fund is established and shall be set up and maintained in the state treasury as a separate fund. Money received and collected under 1927 PA 150, MCL 207.101 to 207.202, except a license fee provided in that act, and a tax, fee, license, and other money received and collected under sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810, except a truck safety fund fee provided in section 801(1)(k) of 1949 PA 300, MCL 257.801, and money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, shall be deposited in the state treasury to the credit of the Michigan transportation fund. In addition, income or profit derived from the investment of money in the Michigan transportation fund shall be deposited in the Michigan transportation fund. Except as provided in this act, no other money, whether appropriated from the general fund of this state or any other source, shall be deposited in the Michigan transportation fund. Except as otherwise provided in this section, the legislature shall appropriate funds for the necessary expenses incurred in the administration and enforcement of 1927 PA 150, MCL 207.101 to 207.202, 1933 PA 254, MCL 475.1 to 479.43, and sections 801 to 810 of the Michigan vehicle code, 1949 PA 300, MCL 257.801 to 257.810. Funds appropriated for necessary expenses shall be based upon established cost allocation methodology that reflects actual costs. Beginning with the fiscal year ending September 30, 1998 and the next 2 succeeding fiscal years thereafter, funds appropriated for these administrative expenses for all state agencies and departments, other than the department, the commission, the department of environmental quality expedited permit processing program for road agencies, the department of state, and the attorney general shall be phased out until further funds are no longer appropriated for this purpose. All money in the Michigan transportation fund is apportioned and appropriated, for the fiscal years ending September 30, 1993 through September 30, 1998, in the following manner:

(a) Not more than \$3,000,000.00 as may be annually appropriated each fiscal year to the state trunk line fund for subsequent deposit in the rail grade crossing account.

(b) Not less than \$3,000,000.00 each year to the critical bridge fund established in section 11b for the purpose of payment of the principal, interest, and redemption premium on any notes or bonds issued by the state transportation commission under section 11b.

(c) Revenue from 3 cents of the tax levied under section 2 (1) of 1950 PA 127, MCL 207.102, to the state trunk line fund, county road commissions, and cities and villages in the percentages provided in subdivision (h).

(d) Revenue from 1 cent of the tax levied under section 2(1) of 1950 PA 127, MCL 207.102 to the state trunk line fund for repair of state bridges under section 11.

(e) \$43,000,000.00 to the state trunk line fund for debt service costs on state of Michigan projects.

(f) 10% to the comprehensive transportation fund for the purposes described in section 10e.

(g) \$36,775,000.00 to the state trunk line fund for subsequent deposit in the transportation economic development fund, and, as of September 30, 1997, with the first priority for allocation to debt service on bonds issued to fund transportation economic development fund projects. In addition, beginning October 1, 1997, \$3,500,000.00 is appropriated from the Michigan transportation fund to the state trunk line fund for subsequent deposit in the transportation economic development fund to be used for economic development road projects in any of the targeted industries described in section 9 (1)(a) of 1987 PA 231, MCL 247.909.

(h) The balance of the Michigan transportation fund as follows, after deduction of the amounts appropriated in subdivisions (a) through (g) and section 11b:

(i) 39.1% to the state trunk line fund for the purposes described in section 11. Beginning October 1, 1995, a state grant of not less than \$33,000,000.00, as may be annually appropriated each fiscal year, after the payment of debt service pursuant to section 11(1)(a), shall be made to the local program fund created in section 11e.

(ii) 39.1% to the county road commissions of the state.

(iii) 21.8% to the cities and villages of the state.

(2) If a distribution formula is not enacted into law for any time period beginning after September 30, 1998, the following amounts are appropriated each fiscal year thereafter with the balance reverting to the Michigan transportation fund until a distribution formula is enacted:

(a) 80% of the revenue received in the same percentages as the distribution formula in effect before October 1, 1998 to the state trunk line fund under the conditions provided in section 11, to the comprehensive transportation fund under the conditions provided in section 10e, to the county road commissions under the conditions provided in section 12, and to the cities and villages under the conditions provided in section 13.

(b) An amount is apportioned and appropriated to the comprehensive transportation fund sufficient to pay the principal and interest payments due on bonds and notes issued for comprehensive transportation purposes under section 18b.

(c) An amount is apportioned and appropriated to the state trunk line fund sufficient to pay the principal and interest payments due on bonds and notes issued for those purposes for which the state transportation commission may issue bonds and notes under section 18b, except for those bonds and notes issued for comprehensive transportation purposes, and sufficient to pay the obligations of the state trunk line fund pursuant to contracts entered into under section 18d, which contributions are pledged for the payment of principal and interest on bonds issued under section 18d.

(d) An amount is apportioned and appropriated to county road commissions sufficient to pay the principal and interest payments due on bonds and notes described in section 12(8).

(e) An amount is apportioned and appropriated to cities and villages sufficient to pay the principal and interest payments due on bonds and notes described in section 13(3)(a).

(3) The money appropriated pursuant to this section shall be used for the purposes as provided in this act and any other applicable act. Subject to the requirements of section 9b, the department shall develop programs in conjunction with the Michigan state chamber of commerce and the Michigan minority business development council to assist small businesses, including those located in enterprise zones and those located in empowerment zones as determined under federal law, as defined by law in becoming qualified to bid.

(4) The distribution formula enacted into law after September 30, 1998 shall not adversely affect the ability of the state or a city, village, county, or county road commission which has issued bonds or notes payable from the Michigan transportation fund or the motor vehicle highway fund to pay the debt service on those bonds or notes.

(5) Thirty-one and one-half percent of the funds appropriated to this state from the federal government pursuant to 23 U.S.C. 157, commonly known as minimum allocation and donor state bonus funds, shall be allocated to the transportation economic development fund, if such an allocation is consistent with federal law. These funds shall be distributed 16-1/2% for development projects for rural counties as defined by law and 15% for capacity improvement or advanced traffic management systems in urban counties as defined by law. Federal funds allocated for distribution under this section shall be eligible for obligation and use by all recipients as defined by the intermodal surface transportation efficiency act of 1991, Public Law 102-240, 105 Stat. 1914.

(6) Notwithstanding any other provision of this section, there is appropriated for the fiscal year ending September 30, 1997 a total of \$20,000,000.00 only to the state trunk line fund, the county road commissions, and the cities and villages, from the Michigan transportation fund. Funds appropriated under this subsection shall be disbursed according to the provisions of sections 11, 12, and 13.

**247.660a TRANSFERRED MILEAGE; WORTH PER MILE OF COUNTY PRIMARY AND LOCAL ROADS; DETERMINATION OF MONEY TO BE TRANSFERRED; TRANSFER OF FUNDS INCLUDED IN APPROPRIATION. [M.S.A. 9.1097(10b)]**

Sec. 10a. (1) Annually the department of transportation shall determine the miles of state trunk line highways, county primary and local roads, and city and village major and local streets transferred to and from state, county, city,

or village jurisdiction during the preceding period of July 1 to June 30. In each year after that determination, the transferred mileage shall be accumulated and added to the mileage transferred in each subsequent July 1 to June 30 period.

(2) The current average revenue worth per mile of a county primary road and a county local road shall be determined annually by dividing the total county primary and local road mileages respectively as of the first day of the preceding July 1 to June 30 period into the total amount of Michigan transportation funds returned to counties pursuant to this act for use on county primary and local roads respectively during that period, except money returned to counties pursuant to section 12(2) and (3).

(3) The total amount of money to be transferred from and to the state trunk line fund, the counties, cities, and villages shall be determined annually by multiplying the current revenue worth per mile of a county primary road and a county local road respectively by the number of accumulated miles in each category transferred from and to state, county, city, or village jurisdiction. If the transferred facility becomes classified as part of the local road or street system of the receiving jurisdiction, the transfer of money shall be calculated on the basis of the revenue worth per mile of a county local road. In any other category of jurisdictional transfer, the transfer of money shall be calculated on the basis of the revenue worth per mile of a county primary road.

(4) For jurisdictional transfers made from the state to a county, city, or village after July 1, 1992, the amount in the state trunk line fund to be transferred shall be transferred to the county, city, or village receiving jurisdiction. If the transferred highway is then classified as part of the local road or street system of the receiving jurisdiction, the transfer of money to the receiving jurisdiction shall be calculated on the basis of the revenue worth per mile of a county local road as determined in subsection (2). If the transferred highway is then classified as part of the primary road or major street system of the receiving jurisdiction, the transfer of money to the receiving jurisdiction shall be calculated on the basis of the revenue worth per mile of a county primary road as determined in subsection (2). This subsection and subsection (5) shall not be construed to effect contracts entered into before or after the effective date of this subsection pursuant to Act No. 166 of the Public Acts of 1965, being sections 408.551 to 408.558 of the Michigan Compiled Laws, for the maintenance of a transferred highway.

(5) In cities and villages with a population of 25,000 or more, trunk line mileage that is transferred to local jurisdiction after July 1, 1992 and is then classified as a major street shall be certified at twice its measured length.

(6) The transfer of funds under this section shall be included each year in the October appropriation of the Michigan transportation fund.

#### **247.660b COMPREHENSIVE TRANSPORTATION FUND. [M.S.A. 9.1097(10c)]**

Sec. 10b. (1) A fund to be known as the comprehensive transportation fund is established and shall be set up and maintained in the state treasury as a separate fund. In addition to the money distributed to the comprehensive transportation fund pursuant to this act, the money authorized to be credited to the comprehensive transportation fund pursuant to section 25 of the general sales tax act, Act No. 167 of the Public Acts of 1933, as amended, being section 205.75 of the Michigan Compiled Laws, shall be deposited in the comprehensive transportation fund and is appropriated to the state transportation department for the purposes described in section 10e.

(2) The comprehensive transportation fund shall be administered by the state transportation department in accordance with this act.

(3) The general functions of the state transportation department in the administration of funds for comprehensive transportation services shall include the following:

(a) Establishing public transportation procedures and administrative practices for which there is a clear requirement for uniformity statewide.

(b) Planning and providing for the current and long-range development of a system of public transportation in areas for which an eligible authority or eligible governmental agency does not exist.

(c) Investigating public transportation conditions and making recommendations for improvement to the state transportation commission for forwarding to the legislature.

(d) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in public transportation facilities and services as applied to state as opposed to nationwide problems.

(e) Performing each function necessary to comply fully with present or future federal transportation acts.

(f) Administering and distributing money from the comprehensive transportation fund and the proceeds of notes and bonds sold for public transportation purposes. If money is raised by an eligible authority or an eligible governmental agency for a public transportation capital outlay project funded pursuant to sections 3, 5, and 6 of the urban mass transportation act of 1964, 49 U.S.C. 1602, 1604, and 1605, or federal law codified in 23 U.S.C. 101 to 407, the state shall pay not less than 66-2/3% of the local match. The state shall not expend money as a local match or otherwise, and an eligible authority or eligible governmental agency shall not expend money distributed pursuant to this act, as a local match or otherwise, for the preliminary or final construction engineering plans or the construction of a subway system within the area of the southeastern Michigan transportation authority until that expenditure is approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house. The state shall not expend money for the construction, operation, or maintenance of a commuter boat service system within a county which is a member of the southeastern Michigan transportation authority until approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house.

(g) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source, including assistance from an agency or instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.

(h) Promulgating rules for the implementation and administration of the comprehensive transportation fund, pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

(I) Issuing bonds or notes for public transportation purposes in accordance with this act.

(j) Making direct expenditures, loans, grants, or guaranteeing lease costs to public and private corporations for public transportation purposes using the comprehensive transportation fund or using as appropriate, the proceeds of notes and bonds authorized by section 18b.

#### **247.660c DEFINITIONS.**

Sec. 10c. As used in this act:

(a) "Urban or rural area" means a contiguous developed area, including the immediate surrounding area, where transportation services should reasonably be provided presently or in the future; the area within the jurisdiction of an eligible authority; or for the purpose of receiving funds for public transportation, a contiguous developed area having a population of less than 50,000 population that has an urban public transportation program approved by the state transportation department and for which the state transportation commission determines that public transportation services should reasonably be provided presently or in the future.

(b) "Eligible authority" means an authority organized pursuant to the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, as amended, being sections 124.401 to 124.426 of the Michigan Compiled Laws.

(c) "Eligible governmental agency" means a county, city, or village or an authority created pursuant to Act No. 55 of the Public Acts of 1963, as amended, being sections 124.351 to 124.359 of the Michigan Compiled Laws; the urban cooperation act of 1967, Act No. 7 of the Public Acts of the Extra Session of 1967, being sections 124.501 to 124.512 of the Michigan Compiled Laws; Act No. 8 of the Public Acts of the Extra Session of 1967, being sections 124.531 to 124.536 of the Michigan Compiled Laws; Act No. 35 of the Public Act of 1951, as amended, being sections 124.1 to 124.13 of the Michigan Compiled Laws; the public transportation authority act, Act No. 196 of the Public Acts of 1986, being sections 124.451 to 124.479 of the Michigan Compiled Laws; or the revenue bond act of 1933, Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.140 of the Michigan Compiled Laws.

(d) "Transit vehicle" means a bus, rapid transit vehicle, railroad car, water vehicle, taxicab, or other type of public transportation vehicle or individual unit, whether operated singly or in a group which provides public transportation.

(e) "Transit vehicle mile" means a transit vehicle operated for 1 mile in public transportation service including demand actuated and line-haul vehicle miles.

(f) "Demand actuated vehicle" means a bus or smaller transit vehicle operated for providing group rides to members of the general public paying fares individually, and on demand rather than in regularly scheduled route service.

(g) "Demand actuated vehicle mile" means a demand actuated vehicle operated for 1 mile in service to the general public.

(h) "Public transportation", "comprehensive transportation", "public transportation service", "comprehensive transportation service", "public transportation purpose", or "comprehensive transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, aircraft, rapid transit vehicle, taxicab, or other conveyance which provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes. Public transportation, public transportation services, or public transportation purposes; and comprehensive transportation, comprehensive transportation services, or comprehensive transportation purposes as defined in this subdivision are declared by law to be transportation purposes within the meaning of section 9 of article IX of the state constitution of 1963.

(i) "State transportation commission" means the state transportation commission or the state highway commission as established in section 28 of article V of the state constitution of 1963.

(j) "Governmental unit" means the state transportation department, state highway commission or the state transportation commission, or a county road commission.

(k) "Department" or "department of transportation" means the state transportation department, which may be referred to administratively as the department of transportation.

#### **247.660d COMPREHENSIVE TRANSPORTATION FUND; DISTRIBUTION. [M.S.A. 9.1097(10e)]**

Sec. 10d. The comprehensive transportation fund shall be distributed to eligible authorities for public transportation purposes, distributed to eligible governmental agencies which are not within the jurisdiction of an eligible authority for public transportation purposes, and expended by the department of transportation for public transportation purposes. A distribution to an eligible governmental agency located within the jurisdiction of an eligible authority for public transportation purposes may be made directly if the eligible governmental agency was providing public transportation service on January 3, 1973. Except for an eligible governmental agency which was providing public transportation service on January 3, 1973, distribution for public transportation purposes may be made directly to an eligible governmental agency located within the jurisdiction of an eligible governmental agency or eligible authority which is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency or eligible authority in which the eligible governmental agency is located. Further, except for an eligible governmental agency or eligible authority in whose jurisdiction is located an eligible governmental agency which was providing public transportation service on January 3, 1973, a distribution may be made directly to an eligible governmental agency or eligible authority in whose jurisdiction is located an eligible governmental agency which is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency located within the eligible governmental agency or eligible authority. A county which withdraws from an eligible authority shall not be considered to be within the jurisdiction of the eligible authority.

**247.660e COMPREHENSIVE TRANSPORTATION FUND; APPROPRIATION AND EXPENDITURE; ORDER OF PRIORITY; CAPITAL GRANTS RECEIVED BY ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERNMENTAL AGENCIES; ANNUAL INSTRUCTIONS TO ELIGIBLE AGENCIES AND AUTHORITIES AND INTERCITY CARRIERS TO ENABLE PREPARATION OF LOCAL TRANSPORTATION PROGRAMS; PUBLIC NOTICE; COMMENTS; SUBMISSION OF LOCAL TRANSPORTATION PROGRAM TO DEPARTMENT; DEPARTMENT TRANSPORTATION PROGRAM; PROPOSED STATE TRANSPORTATION PROGRAM; ACTION BY COMMISSION; APPROVAL OF PROJECTS; CONTRACTUAL AGREEMENT OR STANDARDIZED GRANT MEMORANDUM OF AGREEMENT; APPROVAL OF MULTIYEAR PUBLIC TRANSPORTATION PROGRAM; GRANT-IN-AID INSTRUMENT; FUNDING; AUDITS; SOURCE OF FUNDS FOR PAYMENT OF ELIGIBLE CAPITAL PROJECTS, NEW SERVICES, AND INTERCITY PASSENGER OPERATING ASSISTANCE**

**PROJECTS; USE OF VEHICLE PURCHASED, LEASED, OR RENTED; PURCHASE, LEASE, OR RENTAL OF VEHICLE PROVIDING DEMAND ACTUATED SERVICE; PLAN; EXCEPTIONS; ANNUAL REPORT; OPINION OF ATTORNEY GENERAL.**

Sec. 10e. (1) The comprehensive transportation fund is appropriated for each fiscal year in the following order of priority.

(2) The first priority is to pay, but only from money restricted as to use by section 9 of article IX of the state constitution of 1963, the principal and interest on bonds or notes issued under section 18b for comprehensive transportation purposes as defined by law. A sufficient portion of the comprehensive transportation fund is irrevocably appropriated to pay, when due, the principal and interest on those bonds and notes.

(3) After making or setting aside payments required by subsection (2), the second priority of the comprehensive transportation fund is the payment of the department's cost in administering the comprehensive transportation fund. The amount to be expended pursuant to this subsection shall not exceed the costs appropriated for the administration of the fund in the fiscal year ending September 30, 1987, as adjusted annually on October 1, by the change for the preceding 12 months in the Detroit consumer price index for urban wage earners and shall be appropriated annually by the legislature.

(4) After making or setting aside payments required by subsections (2) and (3), the balance of the comprehensive transportation fund shall be expended each fiscal year as appropriated annually by the legislature pursuant to the state transportation program approved by the commission as follows:

(a) The third priority shall be the payment of operating grants to eligible authorities and eligible governmental agencies according to the following formulations and subject to the following requirements:

(i) For the fiscal year ending September 30, 1998, and for each fiscal year thereafter, each eligible authority and eligible governmental agency which provides public transportation services in urbanized areas under Public Law 103-272, 49 U.S.C. 5307, with a Michigan population greater than 100,000 shall receive a grant of up to 50% of their eligible operating expenses as defined by the state transportation department.

(ii) For the fiscal year ending September 30, 1998, and each fiscal year thereafter, each eligible authority and eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population less than or equal to 100,000 and nonurbanized areas under Public Law 103-272, 49 U.S.C. 5311, shall receive a grant of up to 60% of their eligible operating expenses as defined by the state transportation department.

For purposes of receiving a grant under this subparagraph in nonurbanized areas, eligible costs of services provided by water vehicle shall be reimbursed at not less than 50% of the portion of the costs not eligible for reimbursement by the federal government.

(iii) Funds shall not be distributed to an eligible authority or eligible governmental agency under this act unless the eligible authority or eligible governmental agency provides or agrees to provide preferential fares for public transportation services to persons 65 years of age or over or handicappers riding in off peak periods of service. As used in this section, "handicapper" means a handicapped person as that term is defined by the United States department of transportation in 49 C.F.R. part 27. The preferential fares shall not be higher than 50% of the regular 1-way single fare.

(iv) Eligible authorities and eligible governmental agencies shall not engage in charter service using vehicles, facilities, or equipment funded under this act except on an incidental basis as defined by 49 C.F.R. Part 604.

(v) Notwithstanding any other provision of this subsection, for the fiscal year ending September 30, 1998, each eligible authority and eligible governmental agency shall receive a distribution from the comprehensive transportation fund not less than the distribution received for eligible operating expenses for the fiscal year ending September 30, 1997. Beginning with the fiscal year ending September 30, 1998 and each fiscal year thereafter, each eligible authority and eligible governmental agency shall receive a distribution from the comprehensive transportation fund for eligible operating expenses not less than the distribution received for the fiscal year ending September 30, 1997. As it relates to this subsection the ratio between comprehensive transportation funds and local funds in the fiscal year ending September 30, 1989 shall be maintained for all fiscal years by the eligible authority and eligible governmental agency. Reductions in this ratio shall require a proportionate reduction in the comprehensive transportation funds provided for any fiscal year.

(vi) Each eligible authority and eligible governmental agency receiving comprehensive transportation funds shall



prepare and submit to the department a quarterly report of the progress made in carrying out its local transportation program within 40 days after the end of each fiscal year quarter. The progress report shall be made on forms authorized by the United States department of transportation under the provisions of public law 100-17.

(vii) The department shall periodically adjust or redistribute comprehensive transportation funds previously distributed under this subdivision.

(b) For the fiscal year ending September 30, 1997, and each fiscal year thereafter, not less than 10% shall be distributed by the department for intercity passenger and intercity freight transportation purposes.

(c) For the fiscal year ending September 30, 1997, and each fiscal year thereafter, funds remaining in the fund after payment of the amounts required by subdivisions (a) and (b) shall be distributed by the department for public transportation purposes. For the fiscal year ending September 30, 1998, and each fiscal year thereafter, funds shall be made available to match all projects for eligible authorities and eligible governmental agencies that are approved for federal funding as provided by federal law and for which an approved transportation improvement program (TIP) and state transportation improvement plan (STIP) exist. Funds distributed under this subdivision shall be expended pursuant to specific line item appropriation for, but not limited to, the following public transportation purposes:

(i) The specialized services assistance program. The specialized services assistance program shall be funded with not less than \$3,600,100.00 from funds distributed under this subdivision. Funds shall be distributed according to guidelines developed by the department based upon the following considerations:

(A) Proposals for coordinated specialized services assistance funding shall be developed jointly between existing eligible authorities or eligible governmental agencies that provide public transportation services and the area agencies on aging or any other organization representing specialized services interests, as defined in this subdivision. Plans shall be reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the eligible authority or eligible governmental agency which shall then allocate the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision for the purchase of services as approved in the plan by the department.

(B) If an eligible authority or eligible governmental agency does not exist to provide public transportation service in a county, coordinated proposals for specialized services assistance funding may be submitted by the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision. The proposals shall be reviewed and approved by the bureau of urban and public transportation of the department. Upon approval, the department shall release the funds to the area agency on aging or any other organization representing specialized services interests, as defined in this subdivision for the purchase of services as approved in the plan by the department.

(C) For the purposes of this program, "specialized services" means public transportation primarily designed for persons who are handicappers or who are 65 years of age or older.

(ii) Local bus capital. For the fiscal year ending September 30, 1998 and each fiscal year thereafter, not less than \$8,000,000.00 will be distributed for either matching federal funds for local bus capital or 100% capital projects for eligible authorities and eligible governmental agencies that are not eligible to receive federal capital formula funds under section 5307 of the federal intermodal surface transportation efficiency act, Public Law 102-240, or any successor act.

(iii) Local bus new services.

(iv) Not less than \$2,000,000.00 in each fiscal year for the credit program established under section 10l.

(v) Public transportation development.

(vi) Other public transportation programs approved by the commission.

(d) The unappropriated and unencumbered balance of the comprehensive transportation fund lapses at the end of each fiscal year and reverts to the comprehensive transportation fund for appropriation in the following fiscal year.

(5) Eligible authorities and eligible governmental agencies shall receive capital grants each fiscal year by the annual process described in this section. Amounts received by an eligible authority or eligible governmental agency pursuant to this subsection shall be expended by that authority or agency solely for capital projects which have been approved by the state transportation commission. Any funds approved by distribution to an eligible authority or eligible governmental agency pursuant to this section which have not been encumbered by that agency or authority for an approved capital project by the end of the following fiscal year in which the funds were approved shall not be expended by the authority or agency and be available for distribution from the comprehensive transportation fund for the purposes

described in this section.

(6) The department, in carrying out the policy of the state transportation commission, shall annually prepare and distribute by December 1, instructions to eligible governmental agencies, eligible authorities, and intercity carriers to enable the preparation of a local transportation program. Eligible governmental agencies, eligible authorities, and intercity carriers shall give public notice of their intent to apply for money in the comprehensive transportation fund to the residents of the counties, townships, villages, and cities affected by the local transportation program and shall make their application available for a period of 30 days. All comments received by the eligible governmental agency, eligible authority, or intercity carrier shall be transmitted to the department.

(7) On or before March 1 of each year, each intercity carrier, eligible authority, and eligible governmental agency shall submit to the department its local transportation program for the next succeeding fiscal year. The format for each local transportation program shall be as prescribed by the federal transportation improvement program insofar as practical and shall include project descriptions, funding sources, and justification for each line item, and summary budgets based on distributions anticipated under subsection (4). The program shall contain at a minimum the contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects as exclusively determined by the eligible authority or eligible governmental agency. The costs of service and capital improvements or projects shall be in sufficient detail to permit the state transportation department to evaluate and approve the annual public transportation program. Determination of individual projects to be included in the local transportation programs other than those provided in this subsection shall be made by the governing body of the eligible authority or eligible governmental agency.

(8) On or before March 1 of each year, the department shall prepare and file for public inspection and review the department transportation program. The department transportation program shall be prepared on similar format to the local transportation programs, and shall include a summary description of projects, with funding sources and project justifications for each line item for the fiscal year immediately succeeding the fiscal year in which the program is submitted. In addition, the department transportation program shall include summary, nondetailed budget and project descriptions and justifications excluding projects contained in a local transportation program.

(9) On or before April 1 of each year, the department shall prepare and file with the commission the proposed state transportation program for the next succeeding fiscal year. The proposed state transportation program shall contain the local transportation programs of each intercity carrier, eligible authority and eligible governmental agency, the department transportation program, and the programs for the expenditure of the state trunk line fund as they may have been supplemented, amended, or modified since their original filing. The state transportation program shall include the estimated amount of money in the funds described in this subsection by revenue source, project justifications, project descriptions funding sources, and budget summaries.

(10) On or before May 1 of each year, the state transportation commission shall act on the state transportation program for the fiscal year commencing on the following October 1. In considering approval of the proposed projects of each intercity carrier, eligible authority, or eligible governmental agency, other than projects which are to be funded pursuant to subsection (5), the state transportation commission shall consider whether the projects comply with state law, are within funds allocated in this section, whether they may be funded within the approved budgets, whether there are intercity carriers, eligible authorities, and eligible governmental agencies responsible to implement the projects, and the recommendations of the department on individual projects. Upon making those determinations, the state transportation commission shall approve the projects which best meet the criteria of this subsection.

(11) By October 1, the department and each intercity carrier, eligible authority, or eligible governmental agency shall enter into a contractual agreement or standardized grant memorandum of agreement, which may cover 1 or more projects to be made from this section in the applicable fiscal year to the intercity carrier, eligible authority, or eligible governmental agency from the comprehensive transportation fund.

(12) After a multiyear public transportation program is approved by the state transportation commission, the state transportation department may enter into a grant-in-aid instrument with an eligible authority, intercity carrier, or eligible governmental agency obligating the state to a minimum level of funding for approved projects to be available over the multiyear period of the program. This obligation shall be binding upon the state transportation department as long as the provisions and conditions of the state transportation commission approved program are carried out as agreed.

(13) Contracts and grant memorandum agreements may be audited by the state transportation commission's office

of commission audits using rules promulgated by the United States general accounting office and the terms and conditions of the respective contracts and agreements. Third party agreements are subject to the review and approval of the department.

(14) Funds distributed by the department may pay 100% of the portion of the cost not eligible for reimbursement by the federal government for eligible capital projects authorized by the state transportation commission using comprehensive transportation funds or the proceeds of notes and bonds issued under section 18b. Priority for funding obligation shall be given to capital projects for which federal funds have been authorized.

(15) All approved local bus new services initiated by eligible authorities and eligible governmental agencies not in their fourth year or beyond of funding on October 1, 1988, shall be funded from subsection (4) (c) (iii). Local bus new services shall be funded under subsection (4) (c) (iii) in the following percentages of eligible operating expenses as determined by the department:

- (a) Startup 100%.
- (b) First year 90%.
- (c) Second year 80%.
- (d) Third year 70%.
- (e) Fourth year and each year thereafter, as determined by and from funds provided under subsection (4) (a).

The balance of eligible operating expenses shall be met from local revenue sources including farebox. The department shall pay up to 100% of eligible capital expenses during the startup and first 3 years of service, after the third year, the department shall participate in eligible capital expenses in the same percentage as for other eligible authorities and eligible governmental agencies. For the purposes of this subsection, eligible operating and capital expenses means those expenses determined by the department as applicable to existing eligible authorities and eligible governmental agencies. The department shall prioritize annually all requests for comprehensive transportation funds to institute new services under this subsection. First priority shall be given to eligible authorities and eligible governmental agencies who have not completed their first 3 years of service by October 1, 1998. New services initiated by eligible authorities and eligible governmental agencies under this subsection shall meet all of the requirements of section 10.

(16) The department shall pay up to 80% of the portion of the cost not eligible for reimbursement by the federal government for intercity passenger operating assistance projects authorized by the commission for the first 2 years of new services. For the third year, eligible costs shall be reimbursed at up to 60% of the portion of the cost not eligible for reimbursement by the federal government. After the third year, eligible costs shall be reimbursed at up to 50% of the portion of the cost not eligible for reimbursement by the federal government. Eligible costs of services provided as of September 30, 1981, shall be reimbursed at up to 50% of the portion of the cost not eligible for reimbursement by the federal government. However, the amount of funds from the comprehensive transportation fund when added to federal funds and local funds shall not exceed the total operating assistance project cost.

(17) A vehicle purchased, leased, or rented after November 15, 1976, by an eligible authority or eligible governmental agency with funds made available under this act, which funds were not already committed under a contract in existence on November 15, 1976, shall not be used to provide service on a fixed schedule and fixed route for which a passenger fee is charged unless the vehicle is accessible to a person using a wheelchair from a roadway level or curb level, and has accommodations in which 1 or more wheelchairs can be secured.

(18) A vehicle shall not be purchased, leased, or rented by an eligible authority or eligible governmental agency after October 1, 1978, with funds made available under this act which vehicle is used to provide demand actuated service unless the eligible authority or eligible governmental agency has submitted a plan to the state transportation department describing the service to be provided by the demand actuated service to persons 65 years of age or older and handicappers within the applicable service area and that plan has been approved by the department. The department shall approve the plan as submitted or modified or shall reject the plan within 60 days after the plan is submitted. A plan which describes the service to be provided by the demand actuated service shall not be approved by the department unless that plan provides the following:

- (a) That demand actuated service will be provided to persons 65 years of age or older and handicappers residing in the entire service area subject to the plan.
- (b) That as a minimum, demand actuated service will be provided to persons 65 years of age or older and handicappers during the same hours as service is provided to all other persons in the service area subject to the plan.
- (c) That the average time period required for demand actuated service to persons 65 years of age or older and

handicappers from the initiation of a service request to arrival at the destination is equal to the average time period required for demand actuated service provided to all other persons in the service area subject to the plan.

(d) That the eligible authority or eligible governmental agency submitting the plan has established a local advisory council with not less than 50% of its membership representing persons 65 years of age or older and handicappers within the service area subject to the plan and that the local advisory council has had an opportunity to review and comment upon the plan before its submission to the department. Each eligible authority or eligible governmental agency jointly with the area agency on aging shall approve at least 1 or the equivalent of 12% of the membership of the local advisory council. Each advisory council comment shall be included in the plan when submitted to the department.

(19) Notwithstanding subsection (18), a plan required by subsection (18) which is not approved or rejected by the state transportation department within 60 days after submission shall be considered approved as submitted.

(20) Subsections (17), (18), and (19) shall not apply to vehicles or facilities used to transport persons by rail, air, or water or to vehicles of common carriers licensed by the state transportation department.

(21) Beginning January 1, 1979, the department shall submit an annual report to the legislature detailing the service provided in the prior year for persons 65 years of age or older and handicappers by fixed route service and demand actuated service. This report shall include a record of passenger usage and shall be submitted by April 1 of each year.

(22) Notwithstanding any other provision of this section, if the unreserved balance of the comprehensive transportation fund as of September 30, 1997 is greater than \$50,000,000.00, then the entire unreserved balance minus \$50,000,000.00 shall be appropriated for the fiscal year ending September 30, 1998 only to local bus transit authorities for discretionary capital expenditures. These funds shall be distributed to individual authorities in the same proportion provided for in the provisions of section 10e (4)(a)(i) except that the costs of services provided by water vehicle shall not be eligible for reimbursement.

**247.660g RULES. [M.S.A. 9.1097(10h)]**

Sec. 10g. The state transportation department shall promulgate rules for the implementation and administration of the comprehensive transportation fund pursuant to Act No. 306 of the Public Acts of 1969, as amended.

**247.660h REPORT BY STATE TRANSPORTATION COMMISSION TO LEGISLATURE, GOVERNOR, AND AUDITOR GENERAL; CONTENTS; AUDIT OF FINANCIAL TRANSACTIONS AND ACCOUNTS RELATED TO CERTAIN DISTRIBUTIONS FROM COMPREHENSIVE TRANSPORTATION FUND; COST; SUBMISSION OF AUDIT REPORT AND MANAGEMENT LETTER TO DEPARTMENT; MINIMUM AUDIT STANDARDS AND REQUIREMENTS; TASK FORCE. [M.S.A. 9.1097(10i)]**

Sec. 10h. (1) By May 1 of each year the state transportation commission shall report to each member of the legislature, the governor, and the auditor general its recommendations for a transportation program which the state transportation commission acts on under Section 10e(10). The report shall specify the following:

(a) The estimated amount of money in the comprehensive transportation fund to be distributed in the following fiscal year and the amount of money in the comprehensive transportation fund to be distributed to each eligible authority, each intercity carrier, each eligible governmental agency, and the state transportation department; the estimated amount of money in the state trunk line fund to be distributed to the state transportation department for the maintenance, as defined in section 11, of state trunk line highways; and the estimated amount of money in the state trunk line fund to be distributed to the state transportation department for all other purposes in the following fiscal year. The report shall further subdivide the money to be distributed to each eligible authority, each intercity carrier, each eligible governmental agency, the state transportation department from the comprehensive transportation fund, the state transportation department from the state trunk line fund for the maintenance of state trunk line highways, and the state transportation department from the state trunk line fund for all other purposes specifying how much of that money is proposed to be expended for either capital acquisitions, including demonstration projects, or for operating expenses, including demonstration projects.

(b) An account of all expenditures of funds distributed from the state trunk line fund and the comprehensive transportation fund to the state transportation department, eligible authorities, intercity carriers, and eligible governmental agencies, and the progress made by the state transportation department, eligible authorities, intercity carriers, and eligible governmental agencies in carrying out the approved transportation programs in the preceding fiscal year through the use of those funds. The progress report shall be made based on information supplied to the state transportation department on forms authorized by the federal department of transportation. For those eligible authorities, intercity carriers, and eligible governmental agencies not receiving federal funds pursuant to the urban mass transportation act of 1964, Public Law 88-365, the progress report shall be made upon forms supplied by the state transportation department. The progress report shall also contain the whole amount of the expenses of the state transportation department for the fiscal year.

(c) Each project certified to be eligible for a multiyear funding commitment.

(d) The status of all multiyear funding commitments.

(e) An account of the state transportation department's compliance in the preceding year with the requirements of section 11(2) and (3). The report shall also specify the justification for a waiver of the requirement of section 11(3), if that requirement was waived.

(2) The financial transactions and accounts related to distributions made from the comprehensive transportation fund to an eligible authority created under the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, as amended, being sections 124.401 to 124.425 of the Michigan Compiled Laws shall be audited pursuant to that act. The cost of the audit shall be paid by the eligible authority. The financial transactions and accounts related to distributions made from the fund to an eligible governmental agency, other than a county, shall be audited in accordance with the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, as amended, being sections 141.421 to 141.440a of the Michigan Compiled Laws. The financial transactions and accounts related to distributions made from the fund to a county which is an eligible governmental agency shall be audited in accordance with Act No. 71 of the Public Acts of 1919, as amended, being sections 21.41 to 21.54 of the Michigan Compiled Laws. The financial transaction and accounts relative to distributions made to an intercity carrier shall be audited by an independent certified public accountant in accordance with instructions promulgated by the department of treasury. A copy of the complete audit report and management letter shall be submitted by the eligible authority, intercity carrier, or eligible governmental agency to the state transportation department. The department of treasury shall develop minimum audit standards and requirements.

(3) There is hereby established a task force composed of the Michigan public transit association, the Michigan motorbus association, the Michigan rail users and supporters association, the Michigan railroad association, a representative of a state owned or leased short line railroad, and the office of auditor general or a certified public accountant appointed by the auditor general, to assist the department in the development of the progress report requirements outlined in subsection (1) (b).

**247.660j INELIGIBILITY FOR GRANT OR DISTRIBUTION; ACCRUED PENSION OR RETIREMENT LIABILITIES. [M.S.A. 9.1097(10k)]**

Sec. 10j. (1) An eligible authority or eligible governmental agency may not receive a grant or distribution pursuant to this act if it has an employee which is considered to be a state employee or is subject to the jurisdiction of the department of civil service.

(2) An eligible authority may not receive a grant or distribution pursuant to this act if the eligible authority assumes responsibility for a pension or retirement benefit which accrued to former employees of acquired public or private transportation systems who are not transferred as regular employees to the authority at the time of acquisition in conformity with sections 13 and 24 of Act No. 204 of the Public Acts of 1967, as amended, being sections 124.413 and 124.424 of the Michigan Compiled Laws.

(3) Nothing in this section shall relieve former employers of any accrued pension or retirement liabilities to employees or former employees not transferred at the time of acquisition.

**247.660k NONMOTORIZED TRANSPORTATION SERVICES AND FACILITIES; EXPENDITURE; IMPROVEMENTS AS QUALIFIED NONMOTORIZED FACILITY; MEETING REQUIREMENTS OF SECTION; 5-YEAR PROGRAM; ESTABLISHMENT OF FACILITIES; INFORMATION AND ASSISTANCE AS TO PLANNING, DESIGN, AND CONSTRUCTION. [M.S.A. 9.1097(10)]**

Sec. 10k. (1) Transportation purposes as provided in this act include provisions for facilities and services for nonmotorized transportation including bicycling.

(2) Of the funds allocated from the Michigan transportation fund to the state trunk line fund and to the counties, cities, and villages, a reasonable amount, but not less than 1% of those funds shall be expended for nonmotorized transportation services and facilities.

(3) An improvement in a road, street, or highway which facilitates nonmotorized transportation by the paving of unpaved road surfaces and shoulders, widening of lanes, or any other appropriate measure shall be considered to be a qualified nonmotorized facility for the purposes of this section.

(4) Units of government need not meet the provisions of this section annually, provided the requirements are met as an average over a reasonable period of years, beginning with 1978, not to exceed 10.

(5) The state transportation department or a county, city, or village receiving money from the Michigan transportation fund annually shall prepare and submit a 5-year program for the improvement of qualified nonmotorized facilities which when implemented would result in the expenditure of an amount equal to at least 1% of the amount distributed to the state transportation department or the county, city, or village, whichever is appropriate, from the Michigan transportation fund in the previous calendar year multiplied by 10, less the accumulated total expenditures by the state transportation department or the county, city, or village for qualified nonmotorized facilities in the immediately preceding 5 calendar years.

(6) Facilities for nonmotorized transportation may be established in conjunction with or separate from already existing highways, roads, and streets and shall be established when a highway, road, or street is being constructed, reconstructed, or relocated, unless:

(a) The cost of establishing the facilities would be disproportionate to the need or probable use.

(b) The establishment of the facilities would be contrary to public safety.

(c) Adequate facilities for nonmotorized transportation already exist in the area.

(d) Matching funds are not available through the department of natural resources or other state, local, or federal government sources.

(e) The previous expenditures and projected expenditures for nonmotorized transportation facilities for the fiscal year exceed 1% of that unit's share of the Michigan transportation fund in which case additional expenditures shall be discretionary.

(7) The state transportation department may provide information and assistance to county road commissions, cities and villages on the planning, design and construction of nonmotorized transportation facilities and services.

**247.660l RETURN OF MONEY AS CREDIT TO CITIES, VILLAGES, AND TOWNSHIPS; EXPENDITURE OF CREDIT; USE OF UNEXPENDED CREDIT; FINAL DECISION; EXPENDITURE BY COUNTY AS CONDITION PROHIBITED; COORDINATION OF SERVICES; "OPERATING DEFICIT" DEFINED.**

Sec. 101. (1) For each 12-month period beginning October 1, 1987, and each 12-month period thereafter, \$2,000,000.00 shall be returned from the distribution under section 10e (4)(a) by each multicounty authority created under the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, being sections 124.401 to 124.425 of the Michigan Compiled Laws, in terms of a credit to those cities, villages, and townships within each transportation district of the authority created under section 16a of Act No. 204 of the Public Acts of 1967, being section 124.416a of the Michigan Compiled Laws, which apply to the authority for the credit in accordance with procedures and standards established by the authority, except as provided by subsections (2) and (3). The return of money in terms of a credit shall be based upon the population of each city, village, or township within the authority.

(2) For each 12-month period described in subsection (1), a city, village, or township described in subsection (1) may apply to the authority to use its credit for public transportation purposes within the authority's jurisdiction.

However, the money returned in terms of a credit to any city, village, or township which provides public transportation service for that city, village, or township shall be used exclusively toward reducing the operating deficit of that service. Moreover, any service provided by the city, township, or village utilizing the credit received pursuant to this section shall be operated by the authority returning the money in terms of a credit on a contractual basis with each city, village, or township or with a combination of cities, villages, and townships. If a city, township, or village has not applied to the authority to utilize its credit pursuant to this subsection by the last day of the 12-month period, that municipality's share of the money credited pursuant to subsection (1) shall be used by the authority for an expenditure within the county within which the city, village, or township lies.

(3) A city, village, or township which has applied for and received approval from the authority for use of its credit pursuant to subsection (2) shall have 1 year after the end of the period in which the application was made to actually expend that credit. A credit not actually expended by the city, village, or township by the last day of the year after the end of the period in which the application was made shall be used by the authority for an expenditure within the county within which the city, village, or township lies.

(4) Notwithstanding any other section of this or any other act, each authority authorized by this section to return money in terms of a credit shall have the final decision as to what constitutes a proper expenditure, a public transportation service, or a public transportation purpose under subsections (2) and (3).

(5) The expenditure of the amounts required to be expended under subsections (2) and (3) shall not be conditioned on an expenditure by a county in which the expenditure is required to be expended.

(6) The authority shall retain the ability to coordinate services between contracting cities, villages, and townships or groups of cities, villages, or townships.

(7) As used in this section, "operating deficit" means the operating cost of a public transportation service less the revenues generated by the service.

#### **247.660m SCHEDULE.**

Sec. 10m. An eligible authority or eligible governmental agency shall make available, at no cost, a schedule of the times at which public transportation services are offered by the eligible authority or eligible governmental agency as exclusively determined by the eligible authority or eligible governmental agency.

#### **247.660n COMPREHENSIVE TRANSPORTATION FUND; DISTRIBUTION OF FUNDS; NOTES.**

Sec. 10n. Funds from the comprehensive transportation fund may be distributed to a trustee, or to the Michigan municipal bond authority as created under the shared credit rating act, Act No. 227 of the Public Acts of 1985, being sections 141.1051 to 141.1077 of the Michigan Compiled Laws, that is authorized to receive the funds pursuant to a borrowing resolution adopted by an eligible authority. The issuance of the notes of an eligible authority in anticipation of payment of proceeds from the comprehensive transportation fund shall be authorized by a borrowing resolution of the eligible authority pursuant to the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, being sections 124.401 to 124.425 of the Michigan Compiled Laws. The issuance of the notes under this section shall be subject to section 11 of chapter III of the municipal finance act, Act No. 202 of the Public Acts of 1943, being section 133.11 of the Michigan Compiled Laws, and shall be subject to the prior approval of the state transportation commission. Failure of the commission to take action within 35 days after receipt of notification from the eligible authority of intent to issue the notes, constitutes approval by the state transportation commission. The eligible authority may only issue the notes in anticipation of funds to be received during its current fiscal year at any time before the eligible authority's receipt of the funds from the comprehensive transportation fund. The principal amount of notes for which the funds to be received from the comprehensive transportation fund are pledged shall not exceed 85% of the amount remaining to be received by the eligible authority from the comprehensive transportation fund in the current fiscal year. The pledge of 100% of the funds the eligible authority expects to receive from the comprehensive transportation fund shall be secured by a direct transfer of the pledge funds from the comprehensive transportation fund to the trustee or the Michigan municipal bond authority that is authorized to receive the funds by the borrowing resolution adopted by the eligible authority. The notes of the eligible authority shall not be in any way a debt or a liability of the state and shall not create or constitute any indebtedness, liability, or obligations of the state

or be or constitute a pledge of the full faith and credit of the state. Each note shall contain on its face a statement to the effect that the eligible authority is obligated to pay the principal of and the interest on the note only from funds of or due to the eligible authority and that the state is not obligated to pay that principal or interest and that neither the faith in credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the note. The notes shall mature not more than 13 months from the date of issuance, shall bear interest at a fixed or variable rate or rates of interest per annum, and, in addition to other security required by this section, may be secured by letter or line of credit issued by a financial institution or as provided in the borrowing resolution.

**247.661 STATE TRUNK LINE FUND; SEPARATE FUND; APPROPRIATION; PURPOSES; ORDER OF PRIORITY; EXPENDITURE OF REVENUE FOR MAINTENANCE OF HIGHWAYS, ROADS, STREETS, AND BRIDGES AND FOR PAYMENT OF DEBT SERVICE; DEDUCTIONS; "MAINTENANCE" AND "MAINTAINING" DEFINED; BORROWING BY COUNTY ROAD COMMISSIONS, CITIES, AND VILLAGES FROM STATE TRANSPORTATION DEPARTMENT OR FROM PROCEEDS OF BONDS OR NOTES; LIMITATION; APPROVAL; NOTICE; BORROWING BY STATE TRANSPORTATION COMMISSION; PROCEDURES FOR IMPLEMENTATION AND ADMINISTRATION OF LOAN PROGRAM.**

Sec. 11. (1) A fund to be known as the state trunk line fund is established and shall be set up and maintained in the state treasury as a separate fund. The money deposited in the state trunk line fund is appropriated to the state transportation department for the following purposes in the following order of priority:

(a) For the payment, but only from money restricted as to use by section 9 of article IX of the state constitution of 1963, of bonds, notes, or other obligations in the following order of priority:

(i) For the payment of contributions required to be made by the state highway commission or the state transportation commission under contracts entered into before July 18, 1979, under 1941 PA 205, MCL 252.51 to 252.64, which contributions have been pledged before July 18, 1979, for the payment of the principal and interest on bonds issued under 1941 PA 205, MCL 252.51 to 252.64, for the payment of which a sufficient sum is irrevocably appropriated.

(ii) For the payment of the principal and interest upon bonds designated "State of Michigan, State Highway Commissioner, Highway Construction Bonds, Series I", dated September 1, 1956, in the aggregate principal amount of \$25,000,000.00, issued pursuant to former 1955 PA 87 and the resolution of the state administrative board adopted August 6, 1956, for the payment of which a sufficient sum is irrevocably appropriated.

(iii) For the payment of the principal and interest on bonds issued under section 18b for transportation purposes other than comprehensive transportation purposes as defined by law and the payment of contributions of the state highway commission or state transportation commission to be made pursuant to contracts entered into under section 18d, which contributions are pledged to the payment of principal and interest on bonds issued under the authorization of section 18d and contracts executed pursuant to that section. A sufficient portion of the fund is irrevocably appropriated to pay, when due, the principal and interest on bonds or notes issued under section 18b for purposes other than comprehensive transportation purposes as defined by law, and to pay the annual contributions of the state highway commission and the state transportation commission as are pledged for the payment of bonds issued pursuant to contracts authorized by section 18d.

(b) For the transfer of funds appropriated pursuant to section 10 (1) (g) to the transportation economic development fund, but the transfer shall be reduced each fiscal year by the amount of debt service to be paid in that year from the state trunk line fund for bonds, notes, or other obligations issued to fund projects of the transportation economic development fund, which amount shall be certified by the department.

(c) For the transfer of funds appropriated pursuant to section 10 (1) (a) to the railroad grade crossing account in the state trunk line fund for expenditure to meet the cost, in whole or in part, of providing for the improvement, installation, and retirement of new or existing safety devices or other rail grade crossing improvements at rail grade crossings on public roads and streets under the jurisdiction of the state, counties, or cities and villages. Projects shall be selected for funding in accordance with the following:

(i) Not more than 50% or less than 30% of these funds and matched federal funds shall be expended for state trunk line projects.



(ii) In prioritizing projects for these funds, in whole or in part, the department shall consider train and vehicular traffic volumes, accident history, traffic control device improvement needs, and the availability of funding.

(iii) Consistent with the other requirements for these funds, the first priority for funds deposited pursuant to this subdivision for rail grade crossing improvements and retirement shall be to match federal funds from the railroad highway grade crossing improvement program or other comparable federal programs.

(iv) If federal funds from the railroad-highway grade crossing improvement program or other comparable federal programs have been exhausted, funds deposited pursuant to this subdivision shall be used to fund 100% of grade crossing projects that receive the highest priority of unfunded projects pursuant to criteria established by the department.

(v) State railroad grade crossing funds shall not be used, either as 100% of project cost or to match federal railroad-highway grade crossing improvement funds, for a crossing that is determined by the department pursuant to the criteria established by the department to be a lower priority than other projects that have not yet been funded. However, if sufficient funds are available, these state railroad grade crossing account funds may be used for not more than 50% of a project's cost for a crossing that is determined by the department pursuant to the criteria established by the department to be a lower priority if the balance of not less than 50% of the project's cost is provided by the road authority, railroad, or other sources.

(vi) The type of railroad grade crossing improvement, installation, relocation, or retirement of grade crossing surfaces, active and passive traffic control devices, pavement marking, or other related work shall be eligible for these railroad grade crossing account funds in the same manner as the project type eligibility provided by the federal funds from the railroad-highway grade crossing improvement program, except for the following:

(A) For new railroad crossings, these funds may be used for the crossing surface, active and passive traffic control devices, pavement marking, and other improvements necessitated by the new crossing.

(B) These funds may be used for the modification, relocation, or modernization of railroad grade crossing facilities necessitated by roadway improvement projects.

(C) If the department and the road authority with jurisdiction over a public road or street crossing formally agree that the grade crossing should be eliminated by permanent closing of the public road or street, the road authority making the closing shall receive \$5,000.00 from the railroad grade crossing account. In addition, any connecting road improvements necessitated by the grade crossing closure are reimbursable on an actual cost basis not to exceed \$10,000.00 per crossing closed. The physical removal of the crossing, roadway within railroad rights of way and street termination treatment will be negotiated between the road authority and railroad company. The funds provided to the road authority as a result of the crossing closure will be credited to its account representing the same road or street system on which the crossing is located.

(vii) This subdivision shall apply through September 30, 1998.

(d) For the total operating expenses of the state trunk line fund for each fiscal year as appropriated by the legislature.

(e) For the maintenance of state trunk line highways and bridges.

(f) For the opening, widening, improving, construction, and reconstruction of state trunk line highways and bridges, including the acquisition of necessary rights of way and the work incidental to that opening, widening, improving, construction, or reconstruction. Those sums in the state trunk line fund not otherwise appropriated, distributed, determined, or set aside by law shall be used for the construction or reconstruction of the national system of interstate and defense highways, referred to in this act as "the interstate highway system" to the extent necessary to match federal aid funds as the federal aid funds become available for that purpose; and, for the construction and reconstruction of the state trunk line system.

(g) The state transportation department may enter into agreements with county road commissions and with cities and villages to perform work on a highway, road, or street. The agreements may provide for the performance by any of the contracting parties of any of the work contemplated by the contract including engineering services and the acquisition of rights of way in connection with the work, by purchase or condemnation by any of the contracting parties in its own name, and for joint participation in the costs, but only to the extent that the contracting parties are otherwise authorized by law to expend money on the highways, roads, or streets. The state transportation department also may contract with a county road commission, city, and village to advance money to a county road commission, city, and village to pay their costs of improving railroad grade crossings on the terms and conditions agreed to in the contract.

A contract may be executed before or after the state transportation commission borrows money for the purpose of advancing money to a county road commission, city, or village, but the contract shall be executed before the advancement of any money to a county road commission, city, or village by the state transportation commission, and shall provide for the full reimbursement of any advancement by a county road commission, city, or village to the state transportation department, with interest, within 15 years after advancement, from any available revenue sources of the county road commission, city, or village or, if provided in the contract, by deduction from the periodic disbursements of any money returned by the state to the county road commission, city, or village.

(h) For providing inventories of supplies and materials required for the activities of the state transportation department. The state transportation department may purchase supplies and materials for these purposes, with payment to be made out of the state trunk line fund to be charged on the basis of issues from inventory in accordance with the accounting and purchasing laws of the state.

(2) Notwithstanding any other provision of this act, at least 90% of state revenue appropriated annually to the state trunk line fund less the amounts described in subdivisions (a) to (i) shall be expended annually by the state transportation department for the maintenance of highways, roads, streets, and bridges and for the payment of debt service on bonds, notes, or other obligations described in subsection (1)(a) issued after July 1, 1983, for the purpose of providing funds for the maintenance of highways, roads, streets, and bridges. Of the amounts appropriated for state trunk line projects, the department shall, where possible, secure warranties of not less than 5-year full replacement guarantee for contracted construction work. If an appropriate certificate is filed under section 18e but only to the extent necessary, this subsection shall not prohibit the use of any amount of money restricted as to use by section 9 of article IX of the state constitution of 1963 and deposited in the state trunk line fund for the payment of debt service on bonds, notes, or other obligations pledging for the payment thereof money restricted as to use by section 9 of article IX of the state constitution of 1963 and deposited in the state trunk line fund, whenever issued, as specified under subsection (1)(a). The amounts which are deducted from the state trunk line fund for the purpose of the calculation required by this subsection are as follows:

(a) Amounts expended for the purposes described in subsection (1)(a) for the payment of debt service on bonds, notes, or other obligations issued before July 2, 1983.

(b) Amounts expended to provide the state matching requirement for projects on the national highway system and for the payment of debt service on bonds, notes, or other obligations issued after July 1, 1983, for the purpose of providing funds for the state matching requirements for projects on the national highway system.

(c) Amounts expended for the construction of a highway, street, road, or bridge to 1 or more of the following or for the payment of debt service on bonds, notes, or other obligations issued after July 1, 1983, for the purpose of providing funds for the construction of a highway, street, road, or bridge to 1 or more of the following:

(i) A location for which a building permit has been obtained for the construction of a manufacturing or industrial facility.

(ii) A location for which a building permit has been obtained for the renovation of, or addition to, a manufacturing or industrial facility.

(d) Amounts expended for capital outlay other than for highways, roads, streets, and bridges or to pay debt service on bonds, notes, or other obligations issued after July 1, 1983, for the purpose of providing funds for capital outlay other than for highways, roads, streets, and bridges.

(e) Amounts expended for the operating expenses of the state transportation department other than the units of the department performing the functions assigned on January 1, 1983 to the bureau of highways.

(f) Amounts expended pursuant to contracts entered into before January 1, 1983.

(g) Amounts expended for the purposes described in subsection (5).

(h) Amounts appropriated for deposit in the transportation economic development fund and the rail grade crossing account pursuant to section 10 (1) (g) and 10 (1) (a).

(i) Upon the affirmative recommendation of the director of the state transportation department and the approval by resolution of the state transportation commission, those amounts expended for projects vital to the economy of the state, a region, or local area or the safety of the public. The resolution shall state the cost of the project exempted from this subsection.

(3) Notwithstanding any other provision of this act, the state transportation department shall expend annually at least 90% of the federal revenue distributed to the credit of the state trunk line fund in that year, except for federal

revenue expended for the purposes described in subsection (2)(b), (c), (f), and (i) on the maintenance of highways, roads, streets, and bridges. The requirement of this subsection shall be waived if compliance would cause the state to be ineligible according to federal law for federal revenue, but only to the extent necessary to make the state eligible according to federal law for that revenue.

(4) As used in this section:

(a) "Maintenance" and "maintaining" mean snow removal; street cleaning and drainage; seal coating; patching and ordinary repairs; erection and maintenance of traffic signs and markings; safety projects; and the preservation, reconstruction, resurfacing, restoration, and rehabilitation of highways, roads, streets, and bridges. For the purposes of this section, maintenance and maintaining shall not be limited to the repair and replacement of a road but shall include maintaining the original intent of a construction project. If traffic patterns indicate that this intent is no longer being met, the department may expend funds to take corrective action and continue to fulfill its obligation of maintaining the department's original objective for the construction project. However, maintenance and maintaining do not include projects which increase the capacity of a highway facility to accommodate that part of the traffic having neither origin nor destination within the local area.

(b) "Maintenance" and "maintaining" include widening less than lane width; adding auxiliary turning lanes of ½ mile or less; adding auxiliary weaving, climbing, or speed change lanes; and correcting substandard intersections.

(c) "Maintenance" and "maintaining" do not include the upgrading of aggregate surface roads to hard surface roads.

(d) "Maintenance" and "maintaining" include the portion of the costs of the units of the department performing the functions assigned on, January 1, 1983, to the bureau of highways expended for the purposes described in subdivisions (a) and (b).

(5) Notwithstanding any other provision of this section, the state transportation department may loan money to county road commissions, cities, and villages for paying capital costs of transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963 from the proceeds of bonds or notes issued pursuant to section 18b or from the state trunk line fund. Loans made directly from the state trunk line fund shall be made only after provision of funds for the purposes specified in subsection (1)(a) to (f).

(6) County road commissions, cities, and villages may borrow money from the proceeds of bonds or notes issued under section 18b or the state trunk line fund for the purposes set forth in subsection (5) which shall be repayable, with interest, from 1 or more of the following:

(a) The money to be received by the county road commission, city, or village from the Michigan transportation fund, except to the extent the money has been or may in the future be pledged by contract in accordance with 1941 PA 205, MCL 252.51 to 252.64, or has been or may in the future be pledged for the payment of the principal and interest upon notes issued pursuant to 1943 PA 143, MCL 141.251 to 141.254, or has been or may in the future be pledged for the payment of principal and interest upon bonds issued under section 18c or 18d, or has been or may in the future be pledged for the payment of the principal and interest upon bonds issued pursuant to 1952 PA 175, MCL 247.701 to 247.707.

(b) Any other legally available funds of the city, village, or county road commission, other than the general funds of the county.

(7) Loans made pursuant to subsection (5) if required by the state transportation department may be payable by deduction by the state treasurer, upon direction of the state transportation department, from the periodic disbursements of any money returned by the state under this act to the county road commission, city, or village, but only after sufficient money has been returned to the county road commission, city, or village to provide for the payment of contractual obligations incurred or to be incurred and principal and interest on notes and bonds issued or to be issued under 1941 PA 205, MCL 252.51 to 252.64, 1943 PA 143, MCL 141.251 to 141.254, 1952 PA 175, MCL 247.701 to 247.707, or section 18c or 18d. The interest rates and payment schedules of any loans made from the proceeds of bonds or notes issued pursuant to section 18b shall be established by the state transportation department to conform as closely as practicable to the interest rate and repayment schedules on the bonds or notes issued to make the loans. However, the state transportation department may allow for the deferral of the first payment of interest or principal on the loans for a period of not to exceed 1 year after the respective first payment of interest or principal on the bonds or notes issued to make the loans.

(8) The amount borrowed by a county road commission, city, or village pursuant to subsection (6) shall not be

included in, or charged against, any constitutional, statutory, or charter debt limitation of the county, city, or village and shall not be included in the determination of the maximum annual principal and interest requirements of, or the limitations upon, the maximum annual principal and interest incurred under 1941 PA 205, MCL 252.51 to 252.64, 1943 PA 143, MCL 141.251 to 141.254, 1952 PA 175, MCL 247.701 to 247.707, or section 18c or 18d.

(9) The county road commission, city, or village shall not be required to seek or obtain the approval of the electors, the municipal finance commission or its successor agency, or, except as provided in this subsection, the department of treasury to borrow money pursuant to subsection (6). The borrowing shall not be subject to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3, or to section 5(g) of the home rule city act, 1909 PA 279, MCL 117.5. The state transportation department shall give at least 10 days' notice to the state treasurer of its intention to make a loan under subsection (5). If the state treasurer gives notice to the director of the state transportation department within 10 days of receiving the notice from the state transportation department, that, based upon the then existing financial or credit situation of the county road commission, city, or village, it would not be in the best interests of the state to make a loan under subsection (5) to the county road commission, city, or village, the loan shall not be made unless the state treasurer, after a hearing, if requested by the affected county road commission, city, or village, subsequently gives notice to the director of the state transportation department that the loan may be made on the conditions that the state treasurer specifies.

(10) The state transportation commission may borrow money and issue bonds and notes under, and pursuant to the requirements of, section 18b to make loans to county road commissions, cities, and villages for the purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963, as provided in subsection (5). A single issue of bonds or notes may be issued for the purposes specified in subsection (5) and for the other purposes specified in section 18b. The house and senate transportation appropriations subcommittees shall be notified by the department if there are extras and overruns sufficient to require approval of either the state administrative board or the commission, or both, on any contract between the department and a local road agency or a private business.

(11) The director of the state transportation department, after consultation with representatives of the interests of county road commissions, cities, and villages, shall establish, by intergovernmental communication, procedures for the implementation and administration of the loan program established under subsections (5) to (10).

(12) Not more than 10% per year of all of the funds received by and returned to the state transportation department from any source for the purposes of this section may be expended for administrative expenses. The department shall be subject to section 14(5) if more than 10% per year is expended for administrative expenses. As used in this subsection, "administrative expenses" means those expenses that are not assigned including, but not limited to, specific road construction or maintenance projects and are often referred to as general or supportive services. Administrative expenses shall not include net equipment expense, net capital outlay, debt service principal and interest, and payments to other state or local offices which are assigned, but not limited to, specific road construction projects or maintenance activities.

(13) Any performance audits of the department shall be conducted according to government auditing standards issued by the United States general accounting office.

**247.661b CRITICAL BRIDGE PROGRAM; APPROPRIATION; ADMINISTRATION; PURPOSE; RULES; FEDERAL AID AND OTHER FINANCIAL RESOURCES; LIMITATION ON FUNDS. [M.S.A. 9.1097(11b)]**

Sec. 11b. (1) During each April, there is appropriated to a critical bridge fund from the Michigan transportation fund, \$5,000,000.00. The money appropriated to a critical bridge fund and the interest accruing to that fund shall be expended for a critical bridge program to be administered by the department to provide financial assistance to highway authorities for the improvement or reconstruction of existing bridges or for the construction of bridges to replace existing bridges in whole or in part. This section is not subject to section 12(15) or section 13(5).

(2) The state transportation commission shall borrow money and issue notes or bonds in an amount of not less than \$30,000,000.00 to supplement the funding provided for the local bridge program under subsection (1). The bonds or notes issued pursuant to this subsection may be issued by the commission for any purpose for which other critical bridge funds may be used under this section. The bonds or notes authorized by this subsection shall be issued by resolution of the state transportation commission consistent with the requirements of section 18b.

(3) The state transportation department shall promulgate rules pursuant to Act No. 306 of the Public Acts of 1969,

as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws, governing the administration of the critical bridge program. The rules shall set forth the eligibility criteria for financial assistance under the program and other matters related to the program as the department considers necessary and desirable. The department shall take into consideration the availability of federal aid and other financial resources of the highway authority responsible for the bridge, the importance of the bridge to the highway, road, or street network, and the condition of the existing bridge. The department shall not receive more than 38.4% of the critical bridge funds available during a 5-year period for expenditures on the state trunk line system.

**247.661c CONSTRUCTION AND MAINTENANCE PROJECTS TO BE PERFORMED BY CONTRACT AWARDED BY COMPETITIVE BIDDING; OTHER METHOD; FINDINGS; REPORT. [M.S.A. 9.1097(11c)]**

Sec. 11c. All federal aid construction projects, all other projects of the department concerning highways, streets, roads, and bridges whose cost exceeds \$100,000.00 for construction or maintenance as defined in section 11 shall be performed by contract awarded by competitive bidding unless the department shall affirmatively find that under the circumstances relating to those projects, some other method is in the public interest. All of those findings shall be reported to the state transportation commission 90 days before work is commenced and promptly in writing to the appropriations committees of the senate and house of representatives. However, in a case in which the department determines emergency action is required, the reports need not be filed before work is commenced but shall be promptly filed. Local road agencies that make a decision not to perform construction or maintenance projects exceeding \$100,000.00 shall contract for this work through competitive bidding.

**247.661d REPORT TO LEGISLATURE ON CHANGES IN DEPARTMENT'S ACCOUNTING SYSTEM. [M.S.A. 9.1097(11d)]**

Sec. 11d. Within 6 months following the effective date of this section, the state transportation department shall report to the legislature on changes in the department's accounting system to implement the provisions of section 11(2) and (3).

**247.661e LOCAL PROGRAM FUND [M.S.A. 9.1097(18e)]**

Sec. 11e. There is created within the state trunk line fund a local program fund for the purpose of receiving funds allocated from the Michigan transportation fund and from the state trunk line fund. Funds so received shall be distributed 64.2% to the county road commissions of the state to be administered according to section 12 and 35.8% to the cities and villages of the state to be administered according to section 13.

**247.662 RETURN TO COUNTY TREASURERS OF AMOUNT DISTRIBUTED TO COUNTY ROAD COMMISSIONS; MANNER, PURPOSES, TERMS, AND CONDITIONS; EXPENDITURE OF FEDERAL REVENUE; DEFINITIONS; CERTIFICATION CONCERNING AVERAGE ANNUAL DEBT SERVICE REQUIREMENTS FOR BONDS OR NOTES.**

Sec. 12. (1) The amount distributed to the county road commissions shall be returned to the county treasurers in the manner, for the purposes, and under the terms and conditions specified in this section. The department and the county road association of Michigan shall jointly develop incentives for counties to establish statewide purchasing pools for the more efficient use of Michigan transportation funds.

(2) Each county road commission shall be reimbursed in an amount up to \$10,000.00 per year for the sum paid to a licensed professional engineer employed or retained by the county road commission in the previous year. The sum shall be returned to each county road commission certified by the state transportation department as complying with this subsection regarding the employment of an engineer.

(3) An amount equal to 1% of the total amount returned to the county road commissions from the Michigan transportation fund during the prior calendar year shall be withheld annually from the counties' November monthly

distribution provided for in section 17, and the amount shall be returned to the county road commissions for snow removal purposes as provided in section 12a.

(4) An amount equal to 10% of the total amount returned to the county road commissions from the Michigan transportation fund shall be returned to each county road commission having county primary, or county local road, or both, mileage in the urban areas as determined pursuant to section 12b. This sum shall be distributed pursuant to section 12b. The return shall be in addition to the amounts provided in subsections (6) and (7) and for the purposes stated in those subsections.

(5) An amount equal to 4% of the total amount returned to the county road commissions from the Michigan transportation fund shall be returned to the county road commissions in the same percentages as provided in subsection (7). All money returned to the county road commissions as provided in this subsection shall be expended by the county road commissions for the maintenance, improvement, construction, reconstruction, acquisition, and extension of county local road systems and shall be in addition to the amounts provided in subsection (7).

(6) Seventy-five percent of the remainder of the total amount to be returned to the counties shall be expended by each county road commission for the maintenance, improvement, construction, reconstruction, acquisition, and extension of the county primary road system, including the acquisition of a necessary right of way for the system, work incidental to the system, and a roadside park or motor parkway appurtenant to the system, and shall be returned to the counties as follows:

(a) Three-fourths of the amount in proportion to the amount received within the respective county during the 12 months next preceding the date of each monthly distribution, as specific taxes upon registered motor vehicles under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(b) One-tenth of the amount in the same proportion that the total mileage in the county primary road system of each county bears to the total mileage in all of the county primary road systems of the state.

(c) One eighty-third of the remaining 15% of the amount to each county.

(7) The balance of the remainder of the total amount to be returned to counties shall be expended by each county road commission for the maintenance, improvement, construction, reconstruction, acquisition, and extension of the county local road system as defined by this act, including the acquisition of a necessary right of way for the system, work incidental to the system, and a roadside park or motor parkway appurtenant to the system, and shall be returned to the counties as follows:

(a) Sixty-five percent of the amount in the same proportion that the total mileage in the county local road system of each county bears to the total mileage in all of the county local road systems of the state.

(b) Thirty-five percent of the amount in the same proportion that the total population outside of incorporated municipalities in each county bears to the total population outside of incorporated municipalities in all of the counties of the state, according to the most recent statewide federal census as certified at the beginning of the state fiscal year.

(8) Money deposited in, or becoming a part of the county road funds of a board of county road commissioners shall be expended first for the payment of principal and interest on the bonds, for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of contractual contributions pledged for the payment of bonds, and for debt service requirements for the payment of notes and loans in the following order of priority:

(a) For the payment of contributions required to be made by a board of county road commissioners under a contract entered into under 1941 PA 205, MCL 252.51 to 252.64, which contributions have been pledged for the payment of the principal and interest on bonds issued under that act, or for the payment of total debt service requirements upon notes issued by a board of county road commissioners under 1943 PA 143, MCL 141.251 to 141.254.

(b) For the payment of principal and interest upon bonds issued under section 18c, and the payment of contributions of a board of county road commissioners to be made pursuant to contracts entered into under section 18d, which contributions are pledged to the payment of principal and interest on bonds issued after June 30, 1957, under the authorization of section 18c and contracts executed pursuant to its provisions.

(c) For the payment of principal and interest upon loans received pursuant to section 11(7), to the extent other funds have not been made available for that payment.

(9) Not to exceed 30% per year of the amount returned to a county for use on the county primary road system may be expended, with or without matching, on the county local road system of that county. Not to exceed 15% per

year of the amount returned to a county for expenditure on the county local road system may be used, with or without matching, on the county primary road system of that county, and not to exceed an additional 15% per year of the amount returned to a county for expenditure on the county local road system, may, in case of an emergency or with the approval of the state transportation department, be expended, with or without matching, on the county primary road system of that county. An amount returned to a county for and on account of county local roads, under this section, in excess of the total amount paid into the county treasury each year by all of the townships of that county for and on account of the county local roads pursuant to section 14(6) may be transferred to and expended on the county primary road system of that county.

(10) Not less than 20% per year of the funds returned to a county by this section shall be expended for snow and ice removal, the construction or reconstruction of a new highway or existing highway, and the acquisition of a necessary right of way for those highways, and work incidental to those highways, or for the servicing of bonds issued by the county for these purposes. Surplus funds may be expended for the development, construction, or repair of an off-street parking facility.

(11) Not more than 5% per year of the funds returned to a county for the county primary road system and the county local road system shall be expended for the maintenance, improvement, or acquisition of appurtenant roadside parks and motor parkways.

(12) Funds returned to a county shall be expended by the county road commission for the purposes provided in this section and shall be deposited by the county treasurer in a designated county depository, in a separate account to the credit of the county road fund, and shall be paid out only upon the order of the county road commission, and interest accruing on the money shall become a part of, and be deposited with the county road fund.

(13) In a county to which the funds are returned the function of the county road commission shall be limited to the formation of policy and the performance of the official duties imposed by law and delegated by the county board of commissioners. A member of the county road commission shall not be employed individually in any other capacity for other duties with the county road commission.

(14) A county road commission may enter into an agreement with a county road commission of an adjacent county and with a city or village to perform work on a highway, road, or street, and with the state transportation department with respect to a state trunk line and connecting links of the state trunk line within the limits of the county or adjacent to the county. The agreement may provide for the performance by each contracting party of the work contemplated by the contract including engineering services and the acquisition of rights of way in connection with the work contemplated, by purchase or condemnation, by any of the contracting parties in its own name and the agreement may provide for joint participation in the costs.

(15) Money distributed from the Michigan transportation fund may be expended for construction purposes on county local roads only to the extent matched by money from other sources. However, Michigan transportation funds may be expended for the construction of bridges on the county local roads in an amount not to exceed 75% of the cost of the construction of local road bridges. This subsection does not apply to section 11b.

(16) Notwithstanding any other provision of this act, at least 90% of the state revenue returned annually to the county road commission from the Michigan transportation fund less the amounts described in subdivisions (a) to (e) shall be expended annually by the county road commission for the maintenance of highways, roads, streets, and bridges, and for the payment of contractual contributions pledged for the payment of bonds or portions of bonds, debt service requirements for the payment of bonds or portions of bonds, and debt service requirements for the payment of notes and loans or portions of notes and loans issued or received after July 1, 1983, for the purpose of providing funds for the maintenance of highways, roads, streets, and bridges. If an appropriate certificate is filed under subsection (19) but only to the extent necessary, this subsection shall not prohibit the use of any amount of state revenue returned annually to the county road commissions for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of bonds, and for debt service requirements for the payment of notes or loans, whenever issued or received, as specified under subsection (8). The amounts which are deducted from the state revenue returned to a county road commission from the Michigan transportation fund, for the purpose of the calculation required by this subsection are as follows:

(a) Amounts expended for the purposes described in subsection (8) for bonds, notes, loans, or other obligations issued or received before July 2, 1983.

(b) Amounts expended for the administrative costs of the county road commission.

(c) Amounts expended for capital outlay projects for equipment and buildings, and for the payment of contractual contributions pledged for the payment of bonds, for debt service requirements for the payment of bonds, and for debt service requirements for the payment of notes and loans issued or received after July 1, 1983, for the purpose of providing funds for capital outlay projects for equipment and buildings.

(d) Amounts expended for projects vital to the economy of the local area or the safety of the public in the local area. Before these amounts can be deducted, the governing body over the county road commission or the county road commission, as applicable, shall pass a resolution approving these projects. This resolution shall state which projects will be funded and the cost of each project. A copy of each approved resolution shall be forwarded immediately to the department.

(e) Amounts expended in urban areas as determined pursuant to section 12b.

(17) As used in this subsection, "urban routes" means those portions of 2 lane county primary roads within an urban area which has average daily traffic in excess of 15,000. Notwithstanding any other provision of this act, except as provided in this subsection, a county road commission shall expend annually at least 90% of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges. A county road commission may expend in a year less than 90% of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges, if that year is part of a 3-year period in which at least 90% of the total federal revenue distributed in the 3-year period to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is expended on the maintenance of highways, roads, streets, and bridges. If a county road commission expends in a year less than 90% of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges and that year is not a part of a 3-year period in which at least 90% of the total federal revenue distributed in the 3-year period to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is expended on the maintenance of highways, roads, streets, and bridges, the county road commission shall expend in each year subsequent to the 3-year period 100%, or less in 1 year if sufficient for the purposes of this subsection, of the federal revenue distributed to the use of the county road commission for highways, roads, streets, and bridges, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, on the maintenance of highways, roads, streets, and bridges until the average percentage spent on the maintenance of highways, roads, streets, and bridges in the 3-year period and the subsequent years, less the amount expended on urban routes for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system, is at least 90%. A year may be included in only one 3-year period for the purposes of this subsection. The requirements of this subsection shall be waived if compliance would cause the county road commission to be ineligible according to federal law for federal revenue, but only to the extent necessary to make the county road commission eligible according to federal law for that revenue. For the purpose of the calculations required by this subsection, the amount expended on urban routes by a county road commission for other than maintenance purposes and the amount expended for hard-surfacing of gravel roads on the federal-aid system shall be deducted from the total federal revenue distributed to the use of the county road commission.

(18) As used in this section:

(a) "Maintenance" and "maintaining" mean snow removal; erection of traffic control devices and traffic signals and payment of monthly electrical costs for those signals; street cleaning and drainage; seal coating; patching and ordinary repairs; erection and maintenance of traffic signs and markings; safety projects which do not increase through traffic capacity; and the preservation, reconstruction, resurfacing, restoration, and rehabilitation of highways, roads, streets, and bridges. However, maintenance and maintaining do not include projects which increase the capacity of a highway facility to accommodate that part of the traffic having neither origin nor destination within the local area.



(b) "Maintenance" and "maintaining" include widening less than lane width; adding auxiliary turning lanes of 1/2 mile or less; adding auxiliary weaving, climbing, or speed change lanes; and correcting substandard intersections.

(19) A county road commission shall certify, which certification shall, for purposes of the validity of bonds and notes, be conclusive as to the matters stated therein, to the state transportation department on or before the issuance of any bonds or notes issued after July 1, 1983, pursuant to 1943 PA 143, MCL 141.251 to 141.254, 1941 PA 205, MCL 252.51 to 252.64, or section 18c or 18d, for purposes other than the maintenance of highways, roads, streets, and bridges and purposes other than the purposes specified in subsection (16)(c) that its average annual debt service requirements for all bonds and notes or portions of bonds and notes issued after July 1, 1983, for purposes other than the maintenance of highways, roads, streets, and bridges and other than for the purposes specified in subsection (16)(c), including the bond or note to be issued does not exceed 10% of the funds returned to the county road commission pursuant to this act, less the amounts specified in subsection (16)(a), (b), and (c) during the last completed fiscal year of the county road commission. If the purpose for which the bonds or notes are issued is changed after the issuance of the notes or bonds, the change shall be made in such a manner to maintain compliance with the certification required by this subsection, as of the date the certificate was originally issued, but no such change shall invalidate or otherwise affect the bonds or notes with respect to which the certificate was issued or the obligation to pay debt service on the bonds or notes.

(20) In each charter county to which funds are returned under this section, the responsibility for road improvement, maintenance, and traffic operation work, and the development, construction, or repair of off-road parking facilities and construction or repair of road lighting shall be coordinated by a single administrator to be designated by the county executive who shall be responsible for and shall represent the charter county in transactions with the state transportation department pursuant to this act.

(21) Not more than 10% per year of all of the funds received by and returned to a county from any source for the purposes of this section may be expended for administrative expenses. A county that expends more than 10% for administrative expenses in a year shall be subject to section 14(5) unless a waiver is granted by the department of treasury. As used in this subsection, "administrative expenses" means those expenses that are not assigned including, but not limited to, specific road construction or maintenance projects and are often referred to as general or supportive services. Administrative expenses shall not include net equipment expense, net capital outlay, debt service principal and interest, and payments to other state or local offices which are assigned, but not limited to, specific road construction projects or maintenance activities.

(22) In addition to the financial compliance audits required by law, the department of treasury shall conduct performance audits and make investigations of the disposition of all state funds received by county road commissions, county board of commissioners, or any other county governmental agency acting as the county road authority, for transportation purposes to determine compliance with the terms and conditions of this act. Performance audits shall be conducted according to government auditing standards issued by the United States general accounting office. The department of treasury shall provide 6 months notice to the county road commission or county board of commissioners, as applicable, of the standards to be used for audits performed under this subsection prior to the fiscal year in which the audit is conducted. The department shall notify the county road commission or county boards of commissioners of any subsequent changes to the standards. County road commissions or county board of commissioners, as applicable, shall make available to the department of treasury the pertinent records for the audit.

#### **247.662a SNOW REMOVAL; DISTRIBUTION OF AMOUNT RETURNED TO COUNTY ROAD COMMISSION.**

Sec. 12a. (1) The amount withheld from the counties' November monthly distribution as specified in section 12(3) shall be returned to the county road commission of each county for snow removal purposes, including the purchase and maintenance of equipment for snow removal and shall be distributed among the counties on the basis of each respective county's average percentage share of the total amount returned annually to all counties in the state in each of the 14 calendar years before 1987.

(2) Before November 30 of each year, the state transportation department shall certify to the department of management and budget its determination of the amount to which each county is entitled from the distribution

authorized by this section. Before December 15 of each year the department of management and budget shall cause to be paid to the county treasurer of each county entitled to money for snow removal purposes the amount to be returned to the county for snow removal purposes under this section and the amount returned shall be deposited to the credit of the county road fund.

**247.662b COUNTY URBAN SYSTEM; DISTRIBUTION OF AMOUNTS RETURNED; URBAN AREA BOUNDARIES. [M.S.A. 9.1097(12b)]**

Sec. 12b. (1) The amounts returned to the counties for the county urban system as provided in section 12(4) shall be distributed on the basis of the county road mileage contained within the urban area boundaries as established pursuant to this section.

(2) On January 3, 1973, the department of transportation shall establish urban area boundaries which shall be reviewed and corrected periodically and which shall be in conformance with the federal-aid urban area definition as published by the federal highway administration of the United States department of transportation and in effect July 1, 1971.

(3) The amounts returned to the county road commissions qualifying under this section shall be in the same proportion that the total urban local road mileage, plus 6 times the urban primary road mileage of each county bears to the total mileage in all the urban local road systems of the state, plus 6 times the total mileage in all the urban primary road systems of the state.

(4) All amounts returned to the county road commissions on the basis of the urban primary road mileage of each county are for use on the county primary road system and are subject to the same provisions of this act as other amounts for expenditure on the county primary road system.

(5) All amounts returned to the county road commissions on the basis of the urban local road mileage of each county are for expenditure on the county local road system and are subject to the same provisions of this act as other amounts for expenditure on the county local road systems.

**247.662c PLACING COUNTY PRIMARY ROAD UNDER JURISDICTION OF CITY OR VILLAGE; REQUEST; RESPONSE BY COUNTY ROAD COMMISSION; APPEAL; HEARING; DETERMINATION. [M.S.A. 9.1097(12c)]**

Sec. 12c. (1) A city or village which desires to have a county primary road, which is under the jurisdiction of a county road commission and which lies within the corporate limits of the city or village, placed under the jurisdiction of the city or village, shall present a resolution of its governing body to the appropriate county road commission requesting that the county primary road be placed under the jurisdiction of the city or village. The county road commission shall respond to the request, in writing, within 90 days after its receipt of the request.

(2) If the county road commission rejects the request within 90 days after its receipt of the request, the city or village, by resolution of its governing body, not sooner than 30 days after, nor later than 90 days after, the decision of the county road commission, may appeal the decision of the county road commission to the state transportation commission.

(3) If the county road commission does not respond, in writing, within 90 days after its receipt of the request, the city or village, by resolution of its governing body, not sooner than 30 days after, nor later than 90 days after, the expiration of the 90-day period for a response, may petition the state transportation commission for a hearing on the request.

(4) The state transportation commission, after notice and an opportunity for a hearing on the appeal under subsection (2) or the petition under subsection (3), shall review the merits of the request. The state transportation commission in its determination as to whether the county primary road shall be placed under the jurisdiction of the city or village, shall consider all of the following:

(a) The benefits of the requested transfer to the city or village making the request.

(b) The benefits of the requested transfer to the users of the county primary road.

(c) The benefits of the requested transfer to the county with respect to the maintenance of a county road arterial network.

**247.663 RETURN TO CITY AND VILLAGE TREASURERS OF AMOUNT DISTRIBUTED TO CITIES AND VILLAGES; MANNER, PURPOSE, TERMS, AND CONDITIONS.**

Sec. 13. (1) The amount distributed to cities and villages shall be returned to the treasurers of the cities and villages in the manner, for the purposes, and under the terms and conditions specified in this section. As used in this section, "population" means the population according to the most recent statewide federal census as certified at the beginning of the state fiscal year, except that, if a municipality has been newly incorporated since completion of the census, the population of the municipality for purposes of the distribution of funds before completion of the next census shall be the population as determined by special federal census, if there is a census, and if not, by the population as determined by the official census in connection with the incorporation, if there is such a census and, if not, by a special state census to be taken at the expense of the municipality by the secretary of state pursuant to section 6 of the home rule city act, 1909 PA 279, MCL 117.6. The amount received by the newly incorporated municipality shall be in place of any other direct distribution of funds from the Michigan transportation fund. The population of the newly incorporated municipality as determined under this section shall be added to the total population of all incorporated cities and villages in the state in computing the amounts to be returned under this section to each municipality in the state. Major street mileage, local street mileage, and equivalent major mileage, if applicable, shall be determined by the state transportation department before the next month for which distribution is made following the effective date of incorporation of a newly incorporated municipality.

(2) From the amount available for distribution to cities and villages during each December, an amount equal to 0.7% of the total amount returned to all cities and villages under subsections (3) and (4) during the previous calendar year shall be withheld. The amount withheld shall be used to partially reimburse those cities and villages located in those counties that are eligible for snow removal funds pursuant to section 12a and that have costs for winter maintenance on major and local streets that are greater than the statewide average. The distributions shall be made annually during February and shall be calculated separately for the major and local street systems but may be paid in a combined warrant. The distribution to a city or village shall be equal to  $\frac{1}{2}$  of its winter maintenance expenditures after deducting the product of its total earnings under subsections (3) and (4) multiplied by 2 times the average municipal winter maintenance factor. Winter maintenance expenditures shall be determined from the street financial reports for the most current fiscal years ending July 1. A city or village that does not submit a street financial report for the fiscal year ending before July 1 by the subsequent December 31 shall be ineligible for the winter maintenance payment that is to be based on that street financial report. The average municipal winter maintenance factor shall be determined annually by the state transportation department by dividing the total expenditures of all cities and villages on winter maintenance of streets and highways by the total amount earned by all cities and villages under subsections (3) and (4) during the 12 months. If the sum of the distributions to be made under this subsection exceeds the amount withheld, the distributions to each eligible city and village shall be reduced proportionately. If the sum is less than the amount withheld, the balance shall be added to the amount available for distribution under subsections (3) and (4) during the next month. The distributions shall be for use on the major and local street systems respectively and shall be subject to the same provisions as funds returned under subsections (3) and (4).

(3) Seventy-five percent of the remaining amount to be returned to the cities and villages, after deducting the amounts withheld pursuant to subsection (2), shall be returned 60% in the same proportion that the population of each bears to the total population of all cities and villages, and 40% in the same proportion that the equivalent major mileage in each bears to the total equivalent major mileage in all cities and villages. As used in this section, "equivalent major mileage" means the sum of 2 times the state trunk line mileage certified by the state transportation department as of March 31 of each year, as being within the boundaries of each city and village having a population of 25,000 or more, plus the major street mileage in each city and village, multiplied by the following factor:

- 1.0 for cities and villages of 2,000 or less population;
- 1.1 for cities and villages from 2,001 to 10,000 population;
- 1.2 for cities and villages from 10,001 to 20,000 population;
- 1.3 for cities and villages from 20,001 to 30,000 population;
- 1.4 for cities and villages from 30,001 to 40,000 population;
- 1.5 for cities and villages from 40,001 to 50,000 population;
- 1.6 for cities and villages from 50,001 to 65,000 population;

- 1.7 for cities and villages from 65,001 to 80,000 population;
- 1.8 for cities and villages from 80,001 to 95,000 population;
- 1.9 for cities and villages from 95,001 to 160,000 population;
- 2.0 for cities and villages from 160,001 to 320,000 population;

and for cities over 320,000 population, by a factor of 2.1 increased successively by 0.1 for each 160,000 population increment over 320,000. The amount returned under this subsection shall be used by each city and village for the following purposes in the following order of priority:

(a) For the payment of contributions required to be made by a city or village under the provisions of contracts previously entered into under 1941 PA 205, MCL 252.51 to 252.64, which contributions have been previously pledged for the payment of the principal and interest on bonds issued under that act; or for the payment of the principal and interest upon bonds issued by a city or village pursuant to 1952 PA 175, MCL 247.701 to 247.707.

(b) Payment of obligations of the city or village on highway projects undertaken by the city or village jointly with the state transportation department.

(c) For the payment of principal and interest upon loans received pursuant to section 11(7), to the extent other funds have not been made available for that payment.

(d) For the maintenance, improvement, construction, reconstruction, acquisition, and extension of the major street system as defined by this act including the acquisition of a necessary right of way for the system, work incidental to the system, and an appurtenant roadside park or motor parkway, of the city or village and for the payment of the principal and interest on that portion of the city's or village's general obligation bonds which are attributable to the construction or reconstruction of the city's or village's major street system. Not more than 5% per year of the funds returned to a city or village by this subsection shall be expended for the maintenance, improvement, or acquisition of appurtenant roadside parks and motor parkways. Surplus funds may be expended for the development, construction, or repair of off-street parking facilities, and the construction or repair of street lighting.

(4) The remaining amount to be returned to incorporated cities and villages shall be expended in each city or village for the maintenance, improvement, construction, reconstruction, acquisition, and extension of the local street system of the city or village, as defined by this act, including the acquisition of a necessary right of way for the system. Work incidental to the system, and subject to subsection (5), for the payment of the principal and interest on that portion of the city's or village's general obligation bonds which are attributable to the construction or reconstruction of the city's or village's local street system. The amount returned under this subsection shall be returned to the cities and villages 60% in the same proportion that the population of each bears to the total population of all incorporated cities and villages in the state, and 40% in the same proportion that the total mileage of the local street system of each bears to the total mileage in the local street systems of all cities and villages of the state. The payment of the principal and interest upon bonds issued by a city or village pursuant to 1952 PA 175, MCL 247.701 to 247.707, and after that payment, the payment of debt service on loans received under section 11(7), shall have priority in the expenditure of money returned under this subsection.

(5) Money distributed to each city and village for the maintenance and improvement of its local street system under this act represents the total responsibility of the state for local street system support. Funds distributed from the Michigan transportation fund shall not be expended for construction purposes on city and village local streets except to the extent matched from local revenues including other money returned to a city or village by the state under the state constitution of 1963 and statutes of the state, from funds that can be raised by taxation in cities and villages for street purposes within the limitations of the state constitution of 1963 and statutes of the state, from special assessments, or from any other source. This subsection does not apply to section 11b.

(6) Money returned under this section to a city or village shall be expended as follows:

(a) Not to exceed 25% per year of the amount returned to a city or village for use on the major street system, may be expended on the local street system of that city or village and not to exceed an additional 15% per year of the amount returned to an incorporated city or village for expenditure on the major street system, may, in case of an emergency or with the approval of the state transportation department, be expended on the local street system of that city or village.

(b) Money returned for expenditure on the major street system may be expended on the local street system in an amount equal to the amount of local revenues, as provided in subsection (5), expended by the city or village on the major street system or on state trunk line highways, and to the extent that amount of major street money is not

transferred for expenditure on the local street system in that year, major street money received during the next succeeding 2 years may be transferred for expenditure on the local system until the amount so authorized for transfer is fully expended.

(c) The amount returned to a city or village for expenditure on the local system or a portion of that amount may be expended on the major street system of that city or village.

(d) Not more than 10% per year of all of the funds returned to a city or village from any source for the purposes of this section may be expended for administrative expenses. As used in this subsection, "administrative expenses" means those expenses that are not assigned including, but not limited to, specific road construction or maintenance projects and are often referred to as general or supportive services. Administrative expenses shall not include net equipment expense, net capital outlay, debt service principal and interest, and payments to other state or local offices which are assigned, but not limited to, specific road construction projects or maintenance activities. A city or village which in a year expends more than 10% for administrative expenses shall be subject to section 14(5).

(7) In each city and village to which funds are returned under this section, the responsibility for street improvement, maintenance, and traffic operation work, and the development, construction, or repair of off-street parking facilities and construction or repair of street lighting shall be coordinated by a single administrator to be designated by the governing body who shall be responsible for and shall represent the municipality in transactions with the state transportation department pursuant to this act.

(8) Cities and villages may provide for consolidated street administration. A city or a village may enter into an agreement with other cities or villages, the county road commission, or with the state transportation commission for the performance of street or highway work on a road or street within the limits of the city or village or adjacent to the city or village. The agreement may provide for the performance by any of the contracting parties of the work contemplated by the contracts including services and acquisition of rights of way, by purchase or condemnation by any of the contracting parties in its own name. The agreement may provide for joint participation in the costs if appropriate.

(9) Interest earned on funds returned to a city or a village for purposes provided in this section shall be credited to the appropriate street fund.

(10) In addition to the financial compliance audits required by law, the department of treasury shall conduct performance audits and make investigations of the disposition of all state funds received by cities and villages for transportation purposes to determine compliance with the terms and conditions of this act. Performance audits shall be conducted according to government auditing standards issued by the United States general accounting office. The department of treasury shall provide notice to cities and villages of the standards to be used for audits under this subsection prior to the fiscal year in which the audit is conducted. The department shall notify cities and villages of any subsequent changes to the standards. Cities and villages shall make available to the department of treasury the pertinent records for the audit.

**247.663a ACQUISITION OF PRIVATE PROPERTY WITHIN RIGHT OF WAY OF HIGHWAY PROJECT; EXPENDITURE OF REVENUE. [M.S.A. 9.1097(13a)]**

Sec. 13a. The state transportation commission, the county road commissions, and the cities and villages of the state, acting individually or jointly in accordance with a contract, may acquire by purchase or condemnation, in advance of actual construction programming, private property situated within the right of way of a highway project planned for future construction by the governmental unit, and may expend for the advance acquisition of right of way money received by the governmental unit from the Michigan transportation fund. Revenue received from a rental or lease of property so acquired or from the disposition of an improvement on that property or the proceeds of the sale of excess parcels of property so acquired shall be expended by the governmental unit for highway purposes in accordance with this act.

**247.663b CONTRACTS BETWEEN COUNTY ROAD COMMISSIONS FOR PURCHASE OR USE OF EQUIPMENT OR MACHINERY. [M.S.A. 9.1097(13b)]**

Sec. 13b. A county road commission may contract with other county road commissions for the purchase and use of equipment or machinery necessary for the construction, maintenance, or operation of a road or highway.

**247.664 BIENNIAL PRIMARY ROAD AND MAJOR STREET PROGRAMS; SEPARATE ACCOUNTS; RECORDS; ANNUAL REPORT; EXPENDITURES FOR ADMINISTRATION, ENGINEERING, AND RECORD KEEPING; EFFECT OF NONCOMPLIANCE; RESPONSIBILITY OF STATE FOR LOCAL COUNTY ROAD SUPPORT; ADDITIONAL FUNDS.**

Sec. 14. (1) Each county road commission and city and village of the state shall prepare biennial primary road and major street programs, based on long-range plans, and shall make the programs available for review by the public.

(2) Separate accounts shall be kept by cities, villages, and county road commissions of all money returned from the Michigan transportation fund. This subsection shall not be construed to prevent the combining of accounts on which separate bookkeeping records are kept into a single deposit account.

(3) All county road commissions and cities and villages shall keep accurate and uniform records on all road and street work and funds, and shall annually report to the state transportation department at the time, in the manner, and on forms prescribed by the state transportation department the mileage of each road system under their jurisdiction and the receipts and disbursements of road and street funds. In the annual report, each county road commission shall report on its compliance in the preceding year with the requirements of section 12(16) and (17). The report shall also specify, with respect to section 12(17), the total dollar amount expended for other than maintenance purposes which would not have been permissible without the deduction of certain urban route expenditures as permitted under section 12(17). The report shall also specify the justification for a waiver of the requirement of section 12(17), if that requirement was waived.

(4) The expenditure of adequate amounts, by county road commissions and the cities and villages, from funds returned by this act, to cover the cost of administration, engineering, and record keeping is hereby authorized, and expenditures for those purposes shall be reported separately by each county road commission, city, and village to the state transportation department.

(5) All distributions and returns of funds provided for in this act shall be withheld from the state transportation department, eligible authorities, county road commissions, cities, villages, or other eligible governmental agencies for failure to comply with any of the requirements of this act, and the withholding shall continue for the period of noncompliance.

(6) Money distributed to county road commissions for the maintenance and improvement of county local road systems pursuant to section 12 represents the total responsibility of the state for local county road support. Additional funds required for the support of county local road systems may be supplied from other money returned to the township governments by the state under the state constitution of 1963 and statutes of the state, or from funds that can be raised by taxation in the townships or counties for road purposes within the limitations of the state constitution of 1963 and statutes of the state.

**247.664a DRAIN ASSESSMENTS; RULES; AMOUNT. [M.S.A. 9.1097(14a)]**

Sec. 14a. Expenditure of funds allocated by this act to the department of state highways or to a county road commission to pay the cost of drain assessments under Act No. 40 of the Public Acts of 1956, as amended, being sections 280.1 to 280.623 of the Compiled Laws of 1948, imposed after the effective date of rules promulgated under this section, shall be made only if all apportionments of benefits of any nature or kind determined or made for the drainage of county roads or state highways are made in accordance with rules jointly promulgated by the department of state highways and the department of agriculture. The department of state highways and the department of agriculture jointly shall promulgate rules in accordance with and subject to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Compiled Laws of 1948, to provide for an engineering determination of benefits based on the pro rata share of storm water runoff from the county roads or state highways within the drainage district in direct proportion to the total storm water runoff in the entire drainage district. Fifty percent of the cost of a drain assessment against the county for the drainage of county roads shall be paid by the county road commission from county road funds. Expenditures for such purposes shall be reported separately by each county road commission to the state highway commission. Section 16 applies to expenditures made pursuant to this section.

**247.665 REPORTS SHOWING DISPOSITION OF FUNDS APPROPRIATED, APPORTIONED, OR ALLOCATED. [M.S.A. 9.1097(15)]**

Sec. 15. (1) Before May 2 of each year, each county road commission shall file with the director of the state transportation department and the clerk of the county, on forms to be provided by the director, a report showing the disposition of funds appropriated, apportioned or allocated under this act to the county road commission, except funds appropriated under section 10b.

(2) Beginning with municipal fiscal years ending after April 15, 1976, each city and village shall file with the director of the state transportation department, not more than 120 days after the end of its fiscal year, on forms provided by the director, a report showing the disposition of fund appropriated, apportioned, or allocated under this act to the city or village, except funds appropriated under section 10b.

Sec 15a. County road commissions and cities and villages shall establish, where applicable, intergovernmental highway corridor planning preservation committees for the purpose of developing corridor plans in order to provide a stable economic environment for businesses in the corridor and to eliminate duplicative services at the local government level.

Sec 15b. (1) Road authorities may not mow the right-of-way of a highway located outside of a city or village except as allowed in this section.

(2) On any highway, the first 8 feet away from the road surface, or shoulder if applicable, may be mowed at any time.

(3) An entire right-of-way may be mowed after July 15. From July 15 to September 1, the entire right-of-way may only be mowed, if necessary, for safety and brush control reasons, and may not be mowed to a height of less than 12 inches.

(4) A right-of-way may be mowed as necessary to maintain health and safety.

**247.666 FORFEITURE OF FUNDS. [M.S.A. 9.1097(16)]**

Sec. 16. The failure of a county road commission, city, or village to apply money returned pursuant to this act, to the purposes prescribed in this act, shall result in the forfeiture by the county road commission, city, or village of funds to which it may have been entitled under this act for a period of 1 year from and after the failure to apply the money for the purposes prescribed, and funds forfeited shall then be apportioned and distributed among the other county road commissions and cities and villages in the same manner and proportion as provided in section 10 for the distribution of the Michigan transportation fund.

**247.667 CERTIFICATIONS REQUIRED; WARRANTS; CHECKS; MANDAMUS; REPORT.**

Sec. 17. (1) At the end of each month, the secretary of state shall certify to the state transportation department and the director of the department of management and budget the amounts received from the counties for motor vehicle taxes during the preceding month pursuant to the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, as amended, being sections 257.1 to 257.923 of the Michigan Compiled Laws, and also the total amount deposited in the Michigan transportation fund pursuant to this act during the preceding month, after deducting the amount appropriated for the payment of the necessary expenses incurred in the enforcement of Act No. 150 of the Public Acts of 1927, as amended, being sections 207.101 to 207.202 of the Michigan Compiled Laws, and sections 801 to 810 of Act No. 300 of the Public Act of 1949, as amended, being sections 257.801 to 257.810 of the Michigan Compiled Laws. The state transportation department shall certify to the director of the department of management and budget the amounts to be returned to the state transportation department from the Michigan transportation fund monthly, and the amounts to be returned to each county road commission and each city and village of the state monthly, pursuant to this act, and the director of the department of management and budget shall certify these amounts to the state treasurer, who shall draw a warrant monthly for the net amounts as are due the state transportation department, the county road commissions, and the cities and villages of the state under this act. The state treasurer shall issue checks for the

amounts due, within 30 days after the end of each month, to the state transportation department, the county road commissions, and the cities and villages. If the amount due is not returned to a county road commission, city, or village within 30 days after the end of each month, the county road commission, city, or village may bring an action in the nature of mandamus to compel the various officials to perform their duties in connection with the return as provided in this section.

(2) The state transportation department, within 120 days after the close of each fiscal year of the state shall furnish to the legislature and the governor a detailed report of revenues credited to the Michigan transportation fund and distributions under this act and a detailed report of the interest earnings and allocations of each fund created or appropriated money under this act, showing the amounts distributed to each county road commission, city, and village and the purposes for which those amounts were expended.

**247.667a OFFICE OF AUDIT; CREATION; HEAD; DUTIES, FUNCTIONS, AND RESPONSIBILITIES. [M.S.A. 9.1097(17a)]**

Sec. 17a. There is hereby established the office of audit within the department to conduct financial and performance audits. The office shall be headed by an individual appointed by, and serving at the pleasure of, the state transportation commission. The duties, functions, and responsibilities of the office shall be as determined by the state transportation commission.

**247.668a MICHIGAN TRANSPORTATION FUND; PAYMENTS OF NOTES, BONDS, OR OTHER INDEBTEDNESS; NOTES AND BONDS NOT GENERAL OBLIGATIONS OF STATE. [M.S.A. 9.1097(18a)]**

Sec. 18a. Subject to the provisions and the limitations set forth in this act, money in the Michigan transportation fund, distributed as provided in this act, may be expended for the payment of the principal and interest on notes and bonds issued or other indebtedness incurred by a governmental unit for transportation purposes as defined by law. Except as otherwise provided by law, the notes or bonds shall be payable solely from the proceeds of taxes restricted to use for the purposes described in section 9 of article 9 of the state constitution of 1963, which are deposited in the state treasury to the credit of the Michigan transportation fund and are distributed pursuant to this act. The notes and bonds shall not be general obligations of this state, which shall be specifically stated on the face of each note or bond sold.

**247.668b STATE TRANSPORTATION COMMISSION; BONDS AND NOTES. [M.S.A. 9.1097(18b)]**

Sec. 18b. (1) The state transportation commission may borrow money and issue notes or bonds for the following purposes:

(a) To pay all or any portion of or to make loans, grants, or contract payments to pay all or any portion of any capital costs for the purposes described in section 9 of article IX of the state constitution of 1963.

(b) To pay the principal or the principal and interest on notes and, if the state transportation commission considers refunding to be expedient, to refund bonds payable from money in the state trunk line fund or the comprehensive transportation fund or received or to be received from the motor vehicle highway fund or the Michigan transportation fund regardless of when the refunded bonds were issued, by the issuance of new bonds, whether or not the bonds to be refunded have matured or are subject to prior redemption or are to be paid, redeemed, or surrendered at the time of issuance of the refunding bonds; and to issue new bonds partly to refund bonds or pay notes then outstanding and partly for any other transportation purpose authorized by this act.

(c) To pay all costs relating to the issuance of the bonds or notes described in this section, including, but not limited to, legal, engineering, accounting, and consulting services, interest on bonds or notes for such period as determined by the state transportation commission in the resolution authorizing the bonds or notes and a reserve for payment of principal, interest, and redemption premiums on the bonds or notes in an amount determined by the state transportation commission in the resolution authorizing the bonds or notes.

(2) The refunding bonds described in subsection (1)(b) shall be sold and the proceeds and the earnings or profits



from the investment of those proceeds applied in whole or in part to the purchase, redemption, or payment of the principal or the principal and interest of the bonds to be refunded and the refunding bonds issued by the state transportation commission under subsection (1)(b) and the costs described in subsection (1)(c). Refunding notes or bonds shall be considered to be issued for the same purpose or purposes for which the notes or bonds to be refunded were issued.

(3) The notes or bonds authorized by this section shall be issued only after authorization by resolution of the state transportation commission, which resolution shall contain the following:

(a) An irrevocable pledge providing for the payment of the principal and interest on the notes or bonds from money which is restricted as to use by section 9 of article IX of the state constitution of 1963 and which is deposited or to be deposited in the comprehensive transportation fund, in the case of bonds or notes issued for comprehensive transportation purposes as defined by law, or in the state trunk line fund, in the case of bonds or notes issued for transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963, or in the case of notes or bonds, if the resolution authorizing the notes or bonds provides, from money received or to be received by the state transportation department from the proceeds of bonds or renewal notes to be issued after the date of the resolution or from money received or to be received from the proceeds of the grants described in subsection (9). If the resolution authorizing the bonds or notes so provides, a portion of the principal or interest on the bonds or notes may be secured by an irrevocable pledge of money deposited in the comprehensive transportation fund or the state trunk line fund, and the balance of the principal and interest secured by an irrevocable pledge of the proceeds of bonds or renewal notes or money received or to be received from the proceeds of the grants described in subsection (9).

(b) A brief statement describing the projects for which the notes or bonds are to be issued and in the case of notes or bonds to pay notes or refund bonds, a description of the notes or bonds to be paid or refunded. For purposes of this section and section 18k, in connection with bonds issued to fund the loan program established under section 11(7) to (12), the loan program shall constitute the project, and it shall not be necessary to specify the particular item or costs of a particular item to be financed from any particular loan made under the loan program.

(c) The estimated cost of the projects or refunding or refinancing.

(d) The detail of the notes or bonds including the date of issue, maturity date or dates of the bonds or notes, the maximum interest rate, the dates of payment of interest, the paying agents, the transfer agent or agents, the provisions for registration, the redemption provisions, and the manner of execution or, as provided in subsection (11)(d), the limitations within which such detail may be determined by the person designated by the commission.

(4) If after the issuance of notes or bonds, the state transportation commission determines that a project for which the notes or bonds are to be issued should be changed, the state transportation commission, by resolution, adopted after the 30 days' notice of intention to adopt the resolution has been given to the appropriations committees of the senate and the house of representatives, shall amend the resolution authorizing the bonds or notes to change the description of the project or projects or to substitute a different project or projects for the project for which the notes or bonds were issued and shall make other revisions in the resolution authorizing the notes or bonds with respect to cost as may be necessary to permit the change in or substitution of a project or projects.

(5) Before October 1, 1979, the total amount of bonds and notes issued pursuant to this section for comprehensive transportation purposes as defined by law shall not exceed an amount as will be serviced as to maximum principal and interest requirements by a sum equal to the amount deposited to the credit of the general transportation fund for the fiscal year ending September 30, 1977. After September 30, 1979, the total amount of bonds and notes issued pursuant to this section for comprehensive transportation purposes as defined by law shall not exceed an amount as will be serviced, out of state funds only, as to maximum annual principal and interest requirements by an amount equal to 50% of the total amount of money from taxes, the use of which money is restricted by section 9 of article IX of the state constitution of 1963, and which money is deposited in the state treasury to the credit of the comprehensive transportation fund during the state fiscal year immediately preceding the issuance of the bonds or notes.

(6) The total amount of bonds and notes issued pursuant to this section for transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963 shall not exceed an amount as will be serviced as to the maximum principal and interest requirements by a sum equal to 50% of the total of the amount of money received from taxes, the use of which is restricted by section 9 of article IX of the state constitution of 1963 and which is deposited in the state treasury to the credit of the state trunk line fund during the state fiscal year immediately preceding the issuance of the bonds or notes.

(7) The principal or principal and interest or the portion of principal or interest of bonds or notes which are issued in anticipation of the issuance of bonds or renewal notes or of federal grants as provided in subsection (9) and which do not pledge for their payment money in the state trunk line fund or the comprehensive transportation fund or money received or to be received by the state transportation department from the Michigan transportation fund or the motor vehicle highway fund shall not be considered to be principal and interest requirements subject to the limitation set forth in subsections (5) and (6). The principal of and interest on notes or bonds refunded or for the refunding of which refunding bonds have been sold, whether the bonds to be refunded are to be retired at the time of delivery of the refunding bonds or not, shall not be considered to be principal and interest requirements subject to the limitation set forth in subsections (5) and (6).

(8) In computing the maximum annual principal and interest requirements under subsection (6), the total outstanding maximum annual contributions required to be made by the state highway commission and the state transportation commission pursuant to contracts entered into under the authorization of section 18d, which contributions are pledged to the payment of bonds issued under section 18d, shall be included in the amount.

(9) The state transportation commission may borrow money and issue notes or bonds in anticipation of the receipt of grants from the United States of America or any agency or instrumentality thereof and may pledge for the payment of the principal, interest, and redemption premiums on such notes or bonds 1 or more of the following:

(a) The proceeds of any such grant and any investment earnings or gain thereon.

(b) If deemed advisable by the state transportation commission, money which is restricted as to use by section 9 of article IX of the state constitution of 1963, and which is deposited or to be deposited in the comprehensive transportation fund, in the case of bonds or notes issued for comprehensive transportation purposes as defined by law, or in the state trunk line fund, in the case of bonds or notes issued for transportation purposes described in the second paragraph of section 9 of article IX of the state constitution of 1963.

(c) If deemed advisable by the state transportation commission, money received or to be received by the state from the sale of the bonds or notes described in this section to be issued after the issuance of the notes or bonds described in this subsection and any investment earnings or gain thereon.

(10) Bonds or notes may be issued under this section as separate issues or series with different dates of issuance, but the aggregate of the bonds or notes shall be subject to the limitations set forth in this section.

(11) The state transportation commission in determining to issue bonds or notes may do 1 or more of the following:

(a) Authorize and enter into insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase obligations, remarketing agreements, reimbursement agreements, and any other transactions to provide security to assure timely payment of any bonds or notes.

(b) Authorize payment from the proceeds of the bonds or notes or other funds available, of the cost of issuance, including, but not limited to, fees for placement, fees or charges for insurance, letters of credit, lines of credit, remarketing agreements, reimbursement agreements, or purchase or sales agreements or commitments, or other agreements to provide security to assure timely payment of bonds or notes.

(c) Authorize principal and interest to be payable from 1 or more of the following:

(I) Money described in subsection (3)(a).

(ii) Proceeds of bonds or notes.

(iii) Earning on proceeds of bonds or notes or other funds held for payment of bonds or notes.

(iv) Proceeds of any other security provided to assure timely payment of the bonds or notes.

(v) Proceeds of federal grants and other money described in subsection (9).

(vi) Any combination of the sources described in subparagraphs (I) to (v).

(d) Authorize or provide for a person designated by the state transportation commission, but only within limitations which shall be contained in the authorization resolution of the state transportation commission, to do 1 or more of the following:

(I) Sell and deliver and receive payment for bonds or notes.

(ii) Refund bonds or notes by the delivery of new bonds or notes, whether or not the bonds or notes to be refunded have matured or are subject to redemption prior to maturity on the date of delivery of the refunding bonds or notes.

(iii) Deliver bonds or notes partly to refund bonds or notes and partly for any other authorized purposes.

(iv) Buy, hold without cancellation, or sell bonds or notes so issued.

(v) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts,

denominations, dates of issuance, interest payment dates, optional or mandatory redemption or tender rights and obligations to be exercised by the state transportation commission or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

If additionally secured as provided in this subsection, the bonds or notes, notwithstanding other provisions of this act, may be made payable or subject to purchase on demand or prior to maturity at the option of the holder at the time and in the manner as determined by the state transportation commission or the designated person as provided in the resolution authorizing the bonds or notes. Any bonds or notes authorized by this section may bear no interest or interest at a rate or rates which may be variable but which shall be subject to the limitations provided in section 18e as provided in the resolution authorizing the obligations. If bonds or notes are subject to payment or purchase on demand or prior to maturity at the option of the holder, and the obligation of the state to make payment or effect purchases on demand or prior to maturity, at the option of the holder is limited to the proceeds of 1 or more of the additional security devices described in this subsection and is not payable from constitutionally restricted funds deposited in the comprehensive transportation fund or the state trunk line fund, for purposes of computing maximum annual principal and interest requirements under subsection (5) and (6), the principal and interest on the bonds or notes subject to payment or purchase on demand or prior redemption at the option of the holder shall be disregarded and the maximum annual principal and interest requirements which would arise with respect to the repayment of the proceeds of the additional security device shall be substituted therefor.

#### **247.668c COUNTIES; BONDS. [M.S.A. 9.1097(18c)]**

Sec. 18c. (1) A county may borrow money and issue bonds to pay all or any portion of the cost of the construction or reconstruction of highways, including limited access highways, which by law a county road commission is authorized to construct or reconstruct, or participate with any other county road commission, city, or village in the construction or reconstruction of, including the construction or the enlargement, reconstruction, or relocation of existing highways and the acquisition of necessary rights-of-way for those highways, and all work incidental to the construction or reconstruction, which bonds shall be issued only upon the written recommendation or approval of the county road commission, and the adoption of a resolution by a majority vote of the county board of commissioners of the county. The resolution shall briefly describe the contemplated highway construction project, the estimated cost of the project, and the amount, maximum rate of interest, and maturity dates of the bonds to be issued and the form of the bonds. The resolution shall contain an irrevocable appropriation providing for the payment of the principal and interest of the bonds from the money received or to be received by the county road commission from the Michigan transportation fund, except to the extent the money has been pledged by contract in accordance with Act No. 205 of the Public Acts of 1941, as amended, before July 1, 1957, for the construction or financing of limited access highways, and except to the extent the moneys have been pledged before July 1, 1957, for the payment of notes issued under Act No. 143 of the Public Acts of 1943, as amended, beings sections 141.251 to 141.254 of the Michigan Compiled Laws. A contractual pledge made before July 1, 1957, in accordance with the provisions of Act No. 205 of the Public Acts of 1941, as amended, and a pledge made before July 1, 1957, for the payment of promissory notes under Act No. 143 of the Public Acts of 1943, as amended, shall have and retain its priority of lien or charge against the money distributed by law to the county road commission from the Michigan transportation fund, as contemplated by those acts, and as provided in the contract or resolution authorizing the issuance of bonds or notes under those acts. A pledge made after June 30, 1957, by a county road commission under Act No. 205 of the Public Acts of 1941, as amended, or Act No. 143 of the Public Acts of 1943, as amended, shall have equal standing and priority with a pledge made after June 30, 1957, by the county road commission under this act. The total aggregate amount of bonds that may be issued by a county under this section shall not exceed the amount as will be serviced as to their maximum annual principal and interest requirements by an amount equal to 20% of the moneys received by the county road commission of the county from the Michigan transportation fund during the fiscal year next preceding the issuance of the bonds. Bonds may be issued under this section as separate issues or series with different dates of issuance but the aggregate of the bonds shall be subject to the limitations set forth in this act. As additional security for the payment of the bonds, a county, upon adoption of a resolution by a majority of the members of its county board of commissioners, may agree on behalf of the county that if the funds pledged for the payment of the bonds are at any time insufficient to pay the principal and interest on the bonds as the same become due, the county treasurer shall be obligated to advance sufficient money from

the general fund of the county to make up the deficiency, and reimbursement shall be made from the first subsequent revenues received by the county road commission from the Michigan transportation fund not pledged or required to be set aside and used for the payment of the principal and interest on bonds, notes, or other evidences of indebtedness.

(2) The total annual amount that may be pledged by a county road commission for the payment of principal and interest on bonds issued pursuant to this section, or the payment of contributions as required by a contract entered into in accordance with section 18d, which contributions are pledged for the payment of bonds, together with total maximum debt service requirements for payment of notes issued under Act No. 143 of the Public Acts of 1943, as amended, shall not exceed 50% of the total amount received by the county road commission from the Michigan transportation fund during the last completed fiscal year ending on June 30 before the issuance of a bond or note or the execution of a contract.

**247.668d CONTRACTS BETWEEN GOVERNMENTAL UNITS FOR CONSTRUCTION OR RECONSTRUCTION OF HIGHWAYS; CONTRIBUTIONS; PLEDGES; BONDS. [M.S.A. 9.1097(18d)]**

Sec. 18d. (1) The state transportation commission, county road commission, and a city or village may enter into a contract providing for the construction or reconstruction of highways, including limited access highways, under the jurisdiction and control of 1 of the contracting parties to the extent that the contracting parties are otherwise authorized by law to expend moneys on the highways, roads, or streets, which contract shall provide for allocation of the share of the cost of the construction or reconstruction to be borne by the department or a county road commission, city, or village in annual installments for a period not to exceed 30 years. The contract shall designate the department or a county road commission, city, or village to carry on, in whole or in part, the engineering, construction, or reconstruction work required by the contract which may include the construction or enlargement, reconstruction, or relocation of existing highways and work incidental to the engineering, construction, or reconstruction work. The contract shall designate the department or a county road commission, city, or village to undertake the acquisition of rights of way required for the highways, which rights of way may be acquired by purchase or condemnation by the department or a county road commission, city, or village in its own name for the purposes of the construction or reconstruction. The department or a county road commission, city, or village may make a contribution to the cost of its highway construction and reconstruction projects as are provided for in contracts authorized in this section. A governmental unit may make irrevocable pledges of its Michigan transportation fund receipts to meet its annual obligations pursuant to the contracts. A governmental unit which is a party to a contract may make an additional irrevocable pledge of a contribution or funds received, or to be received, by the department or a county road commission, city, or village from the federal government or 1 of its agencies or from any other source for or in aid of the highway construction or reconstruction projects provided for in the contracts. A governmental unit which is a party to the contracts may borrow money and issue bonds in accordance with this act for the purpose of providing funds for the immediate construction or reconstruction of the highway projects contemplated by the contracts. The bonds shall be secured by an irrevocable pledge of the annual contributions required to be made by the department or a county road commission, city or village that is a party to the contract. Before the issuance of the bonds by a governmental unit, the issuance of the bonds shall be approved by a resolution of the state administrative board and by a resolution of the county road commission of each county and the governing body of each city or village that is a party to the contracts. The annual contribution required by the contracts shall be paid to the governmental unit issuing the bonds. A governmental unit which is a party to the contracts, at any time, may pay all or part of the unpaid annual contributions undertaken by it in a contract, and may raise money for that payment by the issuance of bonds in accordance with and subject to this act. A contract executed under this section may authorize the governmental unit issuing the bonds pursuant to the contract to receive bids for the bonds, accept the best bid, and issue and deliver the bonds for and on behalf of all the parties to the contract.

(2) The aggregate amount of annual contributions from the Michigan transportation fund which may be made by a county, city, or village under this section and pledged for the payment of principal and interest on bonds issued pursuant to a contract, shall not exceed 40% of the total amount received by it from the Michigan transportation fund during the last completed fiscal year ending on the June 30 before the execution of a contract. The amount of an annual contribution made by the state transportation department and pledged for the payment of bonds pursuant to this section shall be included in computing the bonding limit set forth in section 18b. The total aggregate amount that may

be pledged by a city or village for the payment of principal and interest on bonds issued pursuant to a contract entered into in accordance with this section and Act No. 175 of the Public Acts of 1952, as amended, shall not exceed 50% of the total amount received by the city or village from the Michigan transportation fund and the highway construction fund during the last completed fiscal year ending on June 30 before the issuance of the bonds.

**247.668e BONDS OF GOVERNMENTAL UNIT; MATURITIES; INTEREST; MEASURING MAXIMUM ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS; CERTIFICATION OF STATE TRANSPORTATION COMMISSION CONCERNING AVERAGE ANNUAL DEBT SERVICE REQUIREMENTS FOR CERTAIN OBLIGATIONS; "MAINTENANCE" DEFINED. [M.S.A. 9.1097(18e)]**

Sec. 18e. Bonds issued by a governmental unit under this act shall be serial bonds with periodic maturities, or term bonds, with mandatory redemption requirements, or both serial and term bonds, the aggregate of which shall not exceed 30 years, the first of which shall fall due not more than 5 years from the date of issuance. Maturities shall be as established by the resolution or ordinance authorizing the bonds or notes, without regard to the useful lives of the projects financed from the proceeds of the bonds or notes. The bonds shall bear interest, taking into account any discount or premium on the sale of the bonds, at a rate not exceeding the maximum rate permitted by the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 139.3 of the Michigan Compiled Laws, may be made redeemable before maturity on those terms and conditions, and with the premium as shall be provided by the proceedings authorizing their issuance. Outstanding and authorized bonds issued pursuant to this act may be treated as a single issue for the purpose of fixing maturities. If pursuant to Act No. 175 of the Public Acts of 1952, as amended, being sections 247.701 to 247.707 of the Michigan Compiled Laws, or in Act No. 143 of the Public Acts of 1943, as amended, being sections 141.251 to 141.254 of the Michigan Compiled Laws, the maximum annual principal and interest requirements on bonds issued by governmental units are required to be measured by reference to amounts received from the motor vehicle highway fund, the requirements shall be measured by the receipts from the motor vehicle highway fund, the Michigan transportation fund, or both funds, and if pursuant to this act the maximum annual principal and interest requirements on bonds or notes issued by governmental units are required to be measured by reference to amounts received from the Michigan transportation fund, the requirements shall be measured by the receipts from the motor vehicle highway fund, the Michigan transportation fund, or both funds. The state transportation commission shall certify, which certification shall, for purposes of the validity of bonds, notes, and other obligations, be conclusive as to the matters stated therein, to the state treasury on or before the issuance of any bonds, notes, or other obligations issued after July 1, 1983, pursuant to section 18b or 18d for purposes other than the maintenance of highways, roads, streets, and bridges and for purposes other than the purposes specified in section 11(2)(b), (c), and (d) that its average annual debt service requirements for all bonds, notes, and other obligations, or portions of bonds, notes, and other obligations issued after July 1, 1983, for purposes other than the maintenance of highways, roads, streets, and bridges and other than for the purposes specified in section 11(2)(b), (c), and (d), including the bonds, notes, or other obligations to be issued does not exceed 10% of the state revenue appropriated to the state trunk line fund, less the amounts described in section 11(2)(a) to (g) during the last completed state fiscal year. If the purpose for which the bonds, notes, or other obligations is issued is changed after the issuance of the bonds, notes, or other obligations, the change shall be made in such a manner to maintain compliance with the certification required by the preceding sentence, as of the date the certificate was originally issued, but no such change shall invalidate or otherwise affect the bonds, notes, or other obligations with respect to which the certificate was issued, or the obligation to pay debt service on the bonds, notes, or other obligations. As used in this section, "maintenance" means maintenance as defined in section 11(6).

**247.668f PRIOR APPROVAL OF BOND ISSUED BY COUNTY; EXCEPTION; APPROVAL OF CONSTRUCTION; PUBLIC SALE OF BONDS; NOTICE BY PUBLICATION; SALE PRICE; PRIOR APPROVAL REQUIREMENT SUBJECT TO SECTIONS 133.10 AND 133.11; DEPARTMENT OF TREASURY ORDER PROVIDING OR DENYING EXCEPTION FROM PRIOR APPROVAL. [M.S.A. 9.1097(18f)]**

Sec. 18f. (1) Unless an exception from prior approval is available pursuant to subsection (2), a bond issued by any county under section 18c shall be issued subject to the prior approval of the municipal finance commission or its successor agency. If the aggregate maturities of the bonds exceed 15 years, the municipal finance commission or its successor agency shall not give its approval, when prior approval is required, and the bonds shall not be issued until the state transportation department has approved the construction to be financed by the proceeds of the bonds. Bonds issued under section 18b and bonds issued under section 18d shall not require the prior permission of the municipal finance commission or its successor agency for their issuance. All bonds issued under this act shall be sold at public sale on at least 7 days' notice by publication in accordance with the requirements of section 2 of chapter III of the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being section 133.2 of the Michigan Compiled Laws, or at negotiated sale. The sale price of the bonds shall not be less than the minimum price specified in the proceedings authorizing their issuance.

(2) The requirement of subsection (1) for obtaining the prior approval of the municipal finance commission or its successor agency before a county issues bonds under section 18c shall be subject to sections 10 and 11 of chapter III of Act No. 202 of the Public Acts of 1943, being sections 133.10 and 133.11 of the Michigan Compiled Laws, and the department of treasury shall have the same authority as provided by section 11 of chapter III of Act No. 202 of the Public Acts of 1943 to issue an order providing or denying an exception from the prior approval required by subsection (1) for bonds authorized for issuance by a county by section 18c.

**247.668g BONDS; PROTECTION OF OUTSTANDING BONDS. [M.S.A. 9.1097(18g)]**

Sec. 18g. Nothing contained in this act shall be construed in such manner as to violate or impair any substantive rights existing in the holders of any outstanding bonds, notes or other evidences of indebtedness issued under the provisions of Act No. 205 of the Public Acts of 1941, as amended, Act No. 87 of the Public Acts of 1955, as amended, Act No. 143 of the Public Acts of 1943, as amended, or Act No. 175 of the Public Acts of 1952. It is hereby declared to be the determination and intent of the legislature that adequate and complete provision has been made in this act for the protection and preservation of the rights and security of the bonds issued and outstanding under the provisions of the laws.

**247.668h BONDS; NEGOTIABILITY; PAYMENT, EXEMPTION FROM TAXATION, [M.S.A. 9.1097(18h)]**

Sec. 18h. Any bonds issued under the provisions of this act shall have all the qualities of negotiable instruments under the law merchant and the negotiable instruments law. Any bonds and interest coupons shall be made payable in lawful money of the United States of America, and shall be exempt from any and all taxation whatsoever by the state or by any taxing authority within the state.

**247.668i CUMULATIVE AUTHORITY OF ACT. [M.S.A. 9.1097(18i)]**

Sec. 18i. The provisions of this act shall be construed as cumulative authority for the exercise of the bonding powers herein granted and shall not be construed to repeal any existing laws with respect thereto, it being the purpose and intention of this act to create full and complete additional and alternate methods and means for the exercise of such powers. The powers conferred by this act shall not be affected or limited by any other statute or by any charter, except as otherwise herein provided.

**247.668k LIST OF PROJECTS FOR WHICH NOTES OR BONDS TO BE ISSUED. [M.S.A. 9.1097(18k)]**

Sec. 18k. If the state transportation commission, by resolution, after January 1, 1983, authorizes the issuance of notes or bonds, the state transportation commission shall provide the appropriations committees of the senate and the house of representatives with a list of the projects for which the notes or bonds are to be issued. The list shall be provided at least 30 days before the notes or bonds are issued.

**247.668l BONDS [M.S.A. 9.1097(18l)]**

Sec. 18l. (1) In order to provide a more immediate economic impact and the creation of job opportunities by accelerating vital transportation projects as part of an infrastructure investment program, the state transportation commission, as soon as possible after the effective date of this section, may borrow money and issue notes or bonds in anticipation of the receipt of the additional approximately \$1,200,000,000.00 in increased funds from the federal government pursuant to the intermodal surface transportation efficiency act of 1991, Public Law 102-240 and any other appropriate federal funding sources available to the department as the respective funds become available, and may pledge for the payment of the principal, interest, and redemption premiums on such notes or bonds sufficient funds from the funds received each fiscal year beginning with the fiscal year ending September 30, 1993 and through the fiscal year ending September 30, 1997 from the federal government pursuant to the intermodal surface transportation efficiency act of 1991, Public Law 102-240 or any other appropriate revenues available consistent with federal and state law as the respective funds become available each year in order to repay the notes or bonds and the debt service on the notes or bonds.

(2) The bonds or notes issued pursuant to subsection (1) shall be issued by the commission to fund projects for any purpose for which federal funds received through the intermodal surface transportation efficiency act of 1991 may be used to fulfill the requirements of that act and for any other purpose consistent with state and federal law.

(3) The notes or bonds authorized by this section shall be issued by resolution of the state transportation commission consistent with the requirements of section 18b.

**247.669 ROADS, STREETS, AND ALLEYS TAKEN OVER AS COUNTY ROADS. [M.S.A. 9.1097(19)]**

Sec. 19. The board of county road commissioners in each of the several counties shall, within 1 year from the effective date of this act, complete the taking over as county roads of all roads, streets and alleys heretofore required to be taken over as county roads by the provisions of Act No. 130 of the Public Acts of 1931, as amended, being sections 247.1 to 247.13, inclusive, of the Compiled Laws of 1948. Said board of county road commissioners in each of the several counties shall take over as county roads all streets and alleys lying outside the limits of incorporated cities and villages and dedicated to the public in recorded plats approved by said board of county road commissioners, within 30 days after the recording of the plat or the effective date of this act, whichever may be the later. Such dedicated streets and alleys, when taken over by the county road commission, shall be county roads in all respects and for all purposes and shall be classified as county primary roads or county local roads pursuant to the provisions of this act.

**247.670 UNEXPENDED BALANCES OF TOWNSHIP FUNDS; APPROPRIATION FOR LOCAL ROAD MAINTENANCE OR IMPROVEMENT; ADDITIONAL POWERS; SNOW REMOVAL IN MARQUETTE COUNTY TOWNSHIPS. [M.S.A. 9.1097(20)]**

Sec. 20. Notwithstanding any other provisions of this act the township board of any township may appropriate any unexpended balances in the contingent or general fund of the township without submitting the question to the electors of said township, or raise money by the issuance of bonds of the township in the same manner and to the same extent as provided in sections 8 to 18 of chapter 14 of Act No. 283 of the Public Acts of 1909, being sections 234.8 to 234.18, inclusive, of the Compiled Laws of 1948, and to pay any sum so appropriated or raised into the county road fund of the county for the maintenance and/or improvement of county roads within the townships, or for the widening of state trunk line highways beyond the width required for state trunk line traffic in unincorporated areas of such township, pursuant to an agreement between the township and the county road commission. Where funds are to be used for the

widening of a state trunk line highway, the county road commission shall enter into agreement with the state highway commissioner for the work. Notwithstanding any other provisions of this act the township board of any township may also levy a property tax of not to exceed 3 mills on each dollar of assessed valuation of the township in any year for the maintenance or improvement of county roads within the township or for the widening of state trunk line highways, as aforesaid, without submitting the question to the electors of said township, and pay any sum so raised into the county road fund of the county for the aforesaid purposes pursuant to an agreement with the county road commission: Provided, That in addition to the foregoing powers any township may, when authorized by a vote of the electorate, levy a property tax of not to exceed 6 mills on each dollar of assessed valuation of the township in any year for the maintenance or improvement of county roads or for the widening of state trunk line highways beyond the width required for state trunk line traffic in unincorporated areas of the township and pay any sum so raised into the county road fund of the county for the maintenance and/or improvement of county roads within such township or the widening of the state trunk line highways, as aforesaid, pursuant to an agreement between the township and the county road commission. Where funds are to be used for the widening of a state trunk line highway, the county road commission shall enter into agreement with the state highway commissioner for such work. Notwithstanding any other provisions of this act the township board of any township in the county of Marquette, out of any unexpended balances in the contingent or general fund of the township, after first submitting the question to the electors of the township, and a majority of those voting thereon approve of such expenditure, may purchase and operate snow removal equipment.

**247.670a CONTRACT FOR MAINTENANCE OF COUNTY LOCAL ROAD SYSTEM WITHIN TOWNSHIP; PARTIES; CONDITIONS; "MAINTENANCE" DEFINED. [M.S.A. 9.1097(20a)]**

Sec. 20a. A board of county road commissioners in a county having a population of not less than 500,000 and the township board of a township having a population of not less than 40,000, as determined by the most recent statewide federal census, and which in the prior year and the contract year will have levied a property tax of not less than 1 mill on each dollar of assessed valuation of the township for the improvement or maintenance of county roads within the township, may exercise the provisions of this section only by entering into a written contract of not more than 1 year providing for the maintenance by the township of all or any part of the county local road system within that township, subject to but not limited to the following conditions:

(a) The contract shall specify the total amount of money that shall be annually expended by the contracting township for the maintenance of the local road system or part thereof. The contracting road commission may pay not more than 75% of the amount specified in the contract to the contracting township annually. The contracting road commission shall not pay more than 66% of an amount equal to the average annual amount of funds expended by the county road commission on the local road system located within the contracting township for construction and maintenance purposes over the previous 5-year period from local road funds received by the county under this act. Any funds expended by the contracting road commission on the local road system located within the contracting township in excess of 66% shall be matched by the contracting township. The amount paid the contracting township shall not directly or indirectly include moneys transferred from the primary fund allocation to the county as set forth in section 12(8).

(b) The contracting township shall keep separate accounts and accurate and uniform records on all road maintenance work and funds, and shall file with the state highway commission and the contracting county road commission on or before April 1 of each year, on forms to be provided by the state highway commission, a report showing the disposition of funds received and expended for road purposes. The failure of a contracting township to apply moneys returned pursuant to this act to the purposes herein prescribed shall result in the forfeiture by the contracting county of any and all funds to which it may have been entitled under this act and all funds so forfeited shall thereafter be apportioned among the other county road commissions in the same manner and proportion as hereinbefore provided for the distribution of the motor vehicle highway fund.

(c) The contract shall require the contracting township to provide insurance covering the contracting road commission's liability for failure to maintain the local roads specified in the contract.

(d) The contracting road commission shall determine and specify the equipment and personnel necessary to provide the maintenance as set forth in the contract, and the contract shall not take effect until the contracting township has acquired the necessary equipment and personnel so specified.



(e) As used in this section, the term "maintenance" shall be construed to include the same meaning as set forth in section 1b. If the contracting parties intend to give a different meaning than as set forth in section 1b, the contract shall so specify.

**247.671 REPEAL. [M.S.A. 9.1097(21)]**

Sec. 21. All acts and parts of acts inconsistent with the provisions of this act, and the following acts and parts of acts, are hereby repealed, viz: sections 19, 19a, 19b, 19e and 19f of Act No. 150 of the Public Acts of 1927, beings sections 207.119, 207.119a, 207.119b, 207.119e and 207.119f, respectively, of the Compiled Laws of 1948; Act No. 130 of the Public Acts of 1931, as amended, beings sections 247.1 to 247.13, inclusive, of the Compiled Laws of 1948; Act No. 1 of the Public Acts of the Extra Session of 1937, being sections 247.21 to 247.25, inclusive, of the Compiled Laws of 1948; and section 805 of Act No. 300 of the Public Acts of 1949, being section 257.805 of the Compiled Laws of 1948.

**247.672 EFFECTIVE DATE OF ACT. [M.S.A. 9.1097(22)]**

Sec. 22. This act shall become effective June 1, 1951.

**247.673 EFFECTIVE UPON PASSAGE OF CERTAIN ACT. [M.S.A. 9.1097(23)]**

Sec. 23. This act shall not take effect unless Senate Bill No. 41 of the 1951 session of the legislature, relative to increase in the privilege tax for the use of the public highways by owners and drivers of motor vehicles is enacted into law and becomes effective.

This act is ordered to take immediate effect.

Approved May 23, 1951.

**247.674 REFUNDING BONDS OR ADVANCE REFUNDING BONDS. [M.S.A. 9.1097(24)]**

Sec. 24. The state transportation commission may issue refunding bonds or advance refunding bonds for the purpose of refunding notes or bonds issued under this act before the effective date of this section. Those refunding bonds or advance refunding bonds shall be issued in accordance with section 18b.

**247.675 TRUCK SAFETY FUND AND MICHIGAN TRUCK SAFETY COMMISSION; ESTABLISHMENT; ADMINISTRATION OF FUND; DUTY OF COMMISSION; APPOINTMENT, QUALIFICATIONS, AND TERMS OF COMMISSION MEMBERS; ELECTION OF CHAIRPERSON; VACANCY; MEETINGS; NOTICE; QUORUM; EXPENDITURE OF FUND; ANNUAL REPORT.**

Sec. 25. (1) The truck safety fund is established and shall be maintained in the state treasury. The truck safety fund shall be administered by the office of highway safety planning within the department of state police.

(2) The Michigan truck safety commission is established in the office of highway safety planning within the department of state police. The commission shall control the expenditures of the truck safety fund. The commission shall consist of the following members:

(a) A member of the state transportation commission, or his or her authorized representative who is a member of the state transportation commission.

(b) The director of the office of highway safety planning, within the department of state police.

(c) The secretary of state.

(d) The commanding officer of the motor carrier division within the department of state police.

(e) Seven individuals appointed by the governor with the advice and consent of the senate as follows:

(i) One individual representing Michigan community colleges.

(ii) One individual representing 4-year colleges or universities.

(iii) One individual representing the Michigan trucking association.

(iv) One individual representing private motor carriers.

(v) One individual representing organized labor.

(vi) Two individuals representing the general public.

(3) The appointed members of the Michigan truck safety commission shall be appointed for 2-year terms. The chairperson of the Michigan truck safety commission shall be elected by a majority of the members serving on the Michigan truck safety commission. A vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment. The business which the Michigan truck safety commission shall perform shall be conducted at a quarterly meeting held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the meeting shall be given in the manner required under Act No. 267 of the Public Acts of 1976. A majority of the commission members serving shall be required to constitute a quorum.

(4) The truck safety fund shall be expended in the following order of priority and in the following manner:

(a) Not more than 5% but not more than \$100,000.00 of the money deposited in the truck safety fund shall be expended for the fund's administrative expenses. The office of highway safety planning may employ not more than 2 persons to assist in the administration of the fund.

(b) Not less than 30%, but not less than \$1,000,000.00 of the balance of the money deposited in the truck safety fund shall be expended for the following purposes:

(I) Establishing truck driver safety education programs.

(ii) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in truck driver safety education as applied to state, as opposed to nationwide, problems.

(iii) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source for the enhancement of truck driver safety education, including matching funds and other assistance from an agency or instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.

(c) Not less than \$750,000.00 of the balance of the money deposited in the truck safety fund shall be expended for the establishment of special transportation enforcement team operations within the motor carrier division of the department of state police and any expenses incurred by the special transportation enforcement team including, but not limited to, required equipment. The motor carrier division of the department of state police shall submit an annual report of the activities of the special transportation enforcement team operations and expenditures of the fund for those operations provided by this subdivision.

(d) The balance of the money deposited in the truck safety fund, if any, shall be expended for the following purposes:

(I) Investigating, performing data collection and analysis, and making recommendations on truck accidents within this state.

(ii) Investigating and making recommendations on the truck safety enforcement procedures of local law enforcement agencies.

(iii) Performing other functions considered necessary by the Michigan truck safety commission for the enhancement of truck and truck driver safety within this state.

(5) The commission shall make an annual report to the chairpersons of the house transportation and senate transportation and tourism committees on the status of the fund. The report shall be submitted within 45 days after the end of the fiscal year and shall include the year end balance of the fund and the disbursements made from the fund during the previous fiscal year.

HISTORY OF ACT 51, P.A. 1951

Amendments to Act 51 of 1951	Act No.	Year	Act Approved		Effective Date of Act
1st.	141	1952	4-24-52	*	9-18-52
2nd.	86	1953	5-18-53	**	
3rd.	102	1954	4-14-54	**	
4th.	154	1954	4-30-54	**	
5th.	265	1955	6-29-55	**	
6th.	28	1956	3-28-56	*	8-11-56
7th.	58	1956	4-02-56	**	
8th.	153	1957	5-29-57	*	9-27-57
9th.	262	1957	6-13-57		7-01-57
10th.	93	1960	4-25-60	*	8-17-60
11th.	352	1965	7-23-65	*	3-31-66
12th.	4	1967***	11-15-67		1-01-68
13th.	327	1972	1-03-73		1-01-73
14th.	72	1973	7-23-73	**	
15th.	197	1973	1-11-74	**	
16th.	74	1974	4-04-74	**	
17th.	195	1975	8-13-75		8-01-75
18th.	239	1975	9-02-75	**	
19th.	41	1976	3-16-76	**	
20th.	161	1976	6-18-76	**	
21st.	263	1976	10-01-76	**	
22nd.	264	1976	10-01-76	**	
23rd.	296	1976	10-27-76	**	
24th.	297	1976	10-27-76		11-15-76
25th.	87	1977	8-02-77	**	
26th.	217	1977	11-17-77	**	
27th.	140	1978	5-11-78	**	
28th.	375	1978	7-27-78	**	
29th.	393	1978	8-01-78	**	
30th.	444	1978	10-10-78		10-01-78
31st.	502	1978	12-13-78	**	
32nd.	58	1979	7-18-79	**	
33rd.	184	1981	12-23-81	**	
34th.	436	1982	12-29-82	**	
35th.	438	1982	12-29-82		1-01-83
36th.	82	1983	6-15-83	**	
37th.	84	1983	6-16-83	**	
38th.	104	1984	5-07-84	**	
39th.	255	1984	11-30-84	**	
40th.	124	1985	7-31-85	**	
41st.	125	1985	7-31-85	**	
42nd.	201	1985	12-26-85	**	
43rd.	254	1986	12-09-86	**	
44th.	3	1987	3-18-87	**	
45th.	43	1987	6-09-87	**	
46th.	103	1987	7-07-87	**	
47th.	234	1987	12-28-87	**	
48th.	348	1988	10-24-88	**	
49th.	188	1989	8-24-89	**	
50th.	73	1990	5-16-90	**	
51st.	82	1992	6-1-92	**	
52nd.	137	1992	7-14-92	**	
53rd.	223	1992	10-15-92	**	
54th.	224	1992	10-15-92	**	
55th.	20	1993	4-14-93	**	
56th.	294	1993	12-23-93	**	
57th.	303	1997	7-25-97	**	

\*90 days after adjournment of Legislature. \*\*Immediate effect. \*\*\*Extra Session.

**ACT NO. 51, PUBLIC ACTS 1951  
As Amended**

**COMPILED LAWS**

The following cumulative table presents a complete outline of amendments to Act 51 (by section numbers) from the year the Act was passed in 1951 through December 23, 1993.

Titles. A title is indicated by a "T"

"Action" column symbols indicate:

- \* Amendment of section, title or chapter title.
- a Added section, chapter title or heading.
- n New act.
- r Repealed section or title.
- e Expired section.
- 67 x 1 Appearing in table opposite indicates 1967 extra session of the legislature.

NOTE: The effectiveness of Act 298 of 1967 was voided when senate bills 262-264 and 265 failed to pass during the 1967 regular session, a condition by which Act 298 would have become effective. Act 4 of the Extra session of 1967, in effect, replaces Act 298 of the regular session of 1967.

**MICHIGAN COMPILED LAWS TABLE**

Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS	
		Year	Act			Year	Act			Year	Act
T-247.651	n	1951	51	247.651f	a	1965	352		*	1982	438
	*	1953	86		*	1997	303		*	1985	125
	*	1957	262	247.652	n	1951	51		*	1986	254
	*	1975	195		*	1982	438		*	1987	3
	*	1978	444	247.653	n	1951	51		*	1987	43
	*	1982	438	247.654	n	1951	51		*	1987	103
	*	1983	82	247.655	n	1951	51		*	1987	234
	*	1988	348	247.655a	a	1981	184		*	1988	348
	*	1992	223	247.656	n	1951	51		*	1992	223
247.651	n	1951	51	247.657	n	1951	51		*	1993	20
247.651a	a	1957	262	247.658	n	1951	51		*	1993	294
247.651b	a	1957	262	247.659	n	1951	51		*	1997	303
	*	1967	298	247.659a	a	1957	262	247.660a	a	1955	265
	*	67X1	4		*	1972	327		r	1957	262
	*	1982	438		*	1978	444		a	1957	262
	*	1989	188		*	1982	438		*	1972	327
247.651c	a	1957	262		*	1987	234		*	1978	444
	*	1967	298		*	1997	303		*	1992	137
	*	67X1	4	247.660	n	1951	51	247.660b	a	1972	327
	*	1976	263		*	1954	154		*	1975	195
	*	1982	436		*	1955	265		r	1976	296
	*	1982	438		*	1957	262		a	1976	297
247.651d	a	1957	262		*	1967	298		*	1978	393
	*	1967	298		*	67X1	4		*	1978	444
	*	67X1	4		*	1972	327		*	1982	438

247.651e	a	1957	262		*	1978	444			
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**MICHIGAN COMPILED LAWS TABLE**

Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS	
		Year	Act			Year	Act			Year	Act
247.660c	a	1972	327		*	1990	73		r	1978	444
	*	1975	195		*	1997	303	247.660j	a	1972	327
	r	1976	296	247.660f	a	1972	327		*	1978	444
	a	1976	297		*	1975	195	247.660k	a	1972	327
	*	1978	444		r	1976	296		*	1978	444
	*	1982	438		a	1976	297		*	1982	438
	*	1987	234		r	1982	438	247.660l	a	1978	444
	*	1990	73	247.660g	a	1972	327		*	1982	438
247.660d	a	1972	327		*	1978	444		*	1987	234
	*	1975	195		*	1979	58	247.660m	a	1978	444
	r	1976	296	247.660h	*	1972	327		*	1987	234
	a	1976	297		*	1975	195	247.660n	a	1978	58
	*	1978	444		r	1976	296		r	1982	438
247.660e	a	1972	327		a	1976	297		a	1987	234
	*	1973	197		*	1977	87	247.661	n	1951	51
	*	1975	195		*	1978	444		*	1957	262
	r	1976	296		*	1979	58		*	1967	298
	a	1976	297		*	1982	438		*	67X1	4
	*	1978	140	247.660i	a	1972	327		*	1976	264
	*	1978	393		*	1975	195		*	1978	444
	*	1978	444		r	1976	296		*	1978	502
	*	1979	58		a	1976	297		*	1979	58
	*	1982	438		*	1977	87		*	1982	438
	*	1984	255		*	1977	217		*	1983	82

	*	1987	234		*	1978	375		*	1984	104
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### MICHIGAN COMPILED LAWS TABLE

Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS	
		Year	Act			Year	Act			Year	Act
	*	1985	124		*	1976	41		*	1976	41
	*	1987	234		*	1978	444		*	1978	41
	*	1992	224		*	1979	58		*	1979	58
	*	1993	294		*	1982	438		*	1982	436
	*	1997	303		*	1983	82		*	1982	438
247.661a	a	1972	327		*	1984	104		*	1983	82
	*	1982	438		*	1985	124		*	1987	234
	r	1987	234		*	1987	234		*	1992	82
247.661b	a	1972	327		*	1992	224		*	1993	294
	*	1978	444		*	1993	294		*	1997	303
	*	1982	438		*	1997	303	247.663a	a	1957	262
	*	1992	223	247.662a	a	1957	262		*	1978	444
247.661c	a	1982	438		*	1972	327	247.663b	a	1976	41
	*	1993	294		*	1978	444	247.664	n	1951	51
	*	1997	303		*	1979	58		*	1960	93
247.661d	a	1982	438		*	1982	438		*	1975	195
247.661e	a	1992	223		*	1987	234		r	1976	296
247.662	n	1951	51	247.662b	a	1972	327		a	1976	297
	*	1953	86		*	1978	444		*	1978	444
	*	1956	28	247.662c	a	1982	438		*	1979	58
	*	1957	262	247.663	n	1951	51		*	1982	438
	*	1967	298		*	1957	262		*	1984	104
	*	67X1	4		*	1967	298		*	1987	234
	*	1972	327		*	67X1	4	247.664a	a	1972	327



	*	1975	239		*	1972	327	247.665	n	1951	51
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### MICHIGAN COMPILED LAWS TABLE

Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS		Sections of Michigan Compiled Laws	A C T I O N	PUBLIC ACTS	
		Year	Act			Year	Act			Year	Act
	*	1976	161		*	1978	444		*	1957	153
	*	1982	438	247.668d	a	1957	262	247.670a	a	1974	74
	*	1997	303		*	1978	444	247.671	n	1951	51
247.666	n	1951	51		*	1979	58	247.672	n	1951	51
	*	1978	444	247.668e	a	1957	262	247.673	n	1951	51
247.667	n	1951	51		*	1973	72	247.674	a	1978	444
	*	1952	141		*	1978	444	247.675	a	1988	348
	*	1957	262		*	1983	82		*	1993	20
	*	1978	444		*	1985	201				
	*	1979	58	247.668f	a	1957	262				
	*	1982	438		*	1983	82				
	*	1983	84	247.668g	a	1957	262				
	*	1987	234	247.668h	a	1957	262				
	*	1993	294	247.668i	a	1957	262				
247.667a	a	1982	438	247.668j	a	1957	262				
247.668	n	1951	51		*	1978	444				
	r	1957	262		r	1987	234				
247.668a	a	1957	262	247.668k	a	1982	438				
	*	1978	444		*	1983	82				
47.668b	a	1957	262	247.668l	a	1992	224				
	*	1978	444	247.669	n	1951	51				
	*	1979	58	247.670	n	1951	51				
	*	1983	82		*	1953	86				

	*	1985	201		*	1954	102				
247.668c	a	1957	262		*	1956	58				

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