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A comprehensive plan to jump-start Michigan's economy, fix our roads, airports and provide more transit options.

TRANSPORTATION FUNDING OPTIONS FOR LAME DUCK

AVERAGE DRIVER: $6 PER MONTH IN FIRST YEAR

Two years ago, the Transportation Funding Task Force (TF2) issued a statewide report on the condition on Michigan's roadways. The task force concluded that Michigan must at least double our current investment in transportation in order to reinvest in transportation infrastructure to a degree in which positive economic growth was possible in Michigan.

Doubling our current investment represents an increase of $3 billion in infrastructure and transportation funds. We believe that $1.5 billion of the increase must come from state sources, with the remaining funds coming from increased federal funds, local funds, and innovations such as public/private partnerships. Central components of the funding package will be:

Gas Tax Increase (HB 5768-5770) -- A fuel tax increase is central to any transportation investment. We recommend Rep. Dick Ball's bill of a 4-cent increase this year and a 4-cent increase in 2013 and a final 4-cent increase in 2015 if our state has experienced at least two quarters in a row of economic growth or an indexing to future fuel consumption. One four-cent increase would cost the average driver roughly 73 cents per week and provide about $170 million-- not nearly enough to fix our long-term needs. **($170M – first year)**

Diesel Tax Parity (SB 862-863, HB 5768) -- Sen. Jud Gilbert has legislation that would increase the diesel tax to the same levels as regular fuel. (Rep. Ball's bill would also need to be adopted to require parity.) The legislation should not identify a specific amount of cents per gallon, but rather tie it to the fuel tax rate. In this way, there is automatic parity in the future if regular fuel tax rates change. **($45M – first year)**

Vehicle Registration Fee (HB 5897) -- In recent years, the vehicle registration fee has overtaken the gas tax as the leading source of state transportation revenue because of declines in fuel consumption. Any long-term solution would need to rely, in part, on user fees not directly tied to fuel consumption. Include elimination of 10% three-year step-down on new vehicles. **($136M – first year)**

Public/Private Partnerships (HB 4961) -- Any comprehensive solution must encourage private investment in infrastructure. The state must provide the framework so that private entities can invest in infrastructure with an ability to recoup those dollars. **(Indeterminate)**