

## **CRC Report: New \$2B Local Road Funding Model May Not Fix The Roads**

**MIRS, 12/4/25**

The new \$2 billion road funding solution negotiated by the Legislature and signed by Gov. [Gretchen WHITMER](#) won't end up getting the money to where it is needed to fix the local roads, according to a new Michigan Citizens Research Council (CRC) report.

CRC President Eric **LUPHER** said the system through the Michigan Transportation Fund, which requires matches for certain projects, exists alongside the new funding through the Neighborhood Roads Fund, which doesn't require a match and will end up being confusing for road commissions and township officials.

"It just speaks to the system is becoming more broke by doing things the way they have, not better," Luper said.

CRC Infrastructure Research Associate Eric Paul **DENNIS** wrote the Assessment of the 2025 Michigan Transportation Funding Package [report](#) and said he still agrees that PA 51, the state highway act, needed to be scrapped and redone from the bottom up to fix the funding problems for roads (See "[CRC Suggests Pitching PA 51, Not Finding More Road Money](#)," 4/15/25).

He found in doing the report that the funding would improve and could even put the state as one of the top 15 highest funded states in the nation, but it was the means of distribution that were difficult to predict on how it would improve roads and bridges.

Dennis said replacing the sales tax with the increase in the motor fuel tax rate that the Transportation Fund would see a significant boost until around 2031.

"But much of the other changes in this package appear haphazard and not well-thought out," he said.

He said trying to figure out which revenue sources are going to what pot and when those revenue sources start getting that money was going to be an exercise in focus.

Dennis said even the funding sources themselves were not certain and pointed to the marijuana wholesale tax being challenged in court by the cannabis industry (See "[Court Of Claims Judge Needs More Time To Decide Whether 24% Weed Tax Should Be Blocked](#)," 11/25/25).

He said there was also a question of how much funding would be available from the corporate income tax and when it would end up being distributed.

“Worst case scenario, if none of this funding becomes available, some of it probably will. We still get some. You will still get some additional funding,” Dennis said.

He said over the next couple of budget cycles, planning for that extra funding could cause headaches for many people drawing up those larger construction projects.

“I think there will be a few years of lag time before we start seeing real results from this funding translated into system improvements,” he said.

Road construction projects are planned years in advance.

He said the increase in local funding was a good thing, but it would be better if there was a consistent distribution plan.

However, the main organizational lap the funding would drop was going to end up being the county road commissions, and the townships could end up getting the short-end of the stick while trying to fix their roads.

“Shoring up an inefficient, ineffective system with more funding is not good policy. It’s likely to make the system even less effective,” he said.