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After Clearing Committee, Roads Package Vote Expected in House Wednesday

House Republicans are planning a floor vote on a \$3.1 billion road funding plan on Wednesday, one day after a committee sent the legislation to the floor.

The bills in the plan – [HB 4180](#) , [HB 4181](#) , [HB 4182](#) , [HB 4183](#) , [HB 4184](#) , [HB 4185](#) , [HB 4186](#) , [HB 4187](#) and [HB 4230](#) – were reported with limited Democratic support by the [House Transportation and Infrastructure Committee](#) .

All the bills were reported with substitutes.

Most of the changes to the bills made complementary adjustments to sales tax levels or updated tie bars.

"Removing the sales tax from the pump was more complex than I ever imagined," said [Rep. Pat Outman](#) (R-Six Lakes), chair of the committee and one of the bill sponsors. "I've had to address all these little things. Revenue sharing, gas taxes, adjustments to aeronautical fuel... it's been a real challenge."

Other changes to the package were more substantial.

[HB 4230](#) , recently added to the package, would amend PA 51 to create the Neighborhood Road Fund using funds from the Corporate Income Tax.

For fiscal years 2025-26 through 2029-30, \$100 million of the money in the Neighborhood Road Fund each fiscal year under House Bill 4187 would have to be deposited and maintained in a separate account to be spent by the Local Bridge Advisory Board. The Department of Transportation would distribute the remaining money, upon appropriation, to county road commissions and city and village road

agencies, based on each group's proportional share of the total mileage of both groups.

"That is really to satisfy our local government partners— our partners with (the Michigan Municipal League), the Michigan Townships Association," Outman said. "The townships are telling me these roads are being neglected, and so we wanted to earmark specific dollars for those roads to try to get them on board with the plan."

The committee also adopted a substitute to [HB 4185](#) to hold local revenue sharing harmless, earmarking \$95 million for cities, villages and townships, based on what each municipality receives through the statutory revenue sharing formula.

"Because we're eliminating the sales tax paid at the pump, local units of government are losing some dollars in terms of revenue sharing," Outman said. "This basically holds them harmless, just like we did with the School Aid Fund."

[HB 4185](#) deposits \$755 million into the School Aid Fund from the revenue collected under the 4 percent sales tax imposed by the act.

[Governor Gretchen Whitmer's](#) office was highly critical of the bill package Tuesday. Key among the plan is redirecting corporate incentive funds, which Whitmer has championed, and an increase in the Michigan Business Tax to get businesses still collecting large tax credits under the old tax structure to give them up early. Business groups oppose the effort as well.

"Governor Whitmer is willing to work with anyone who is serious about negotiating a sustainable, long-term road funding solution. The current legislation moving through the House does not achieve this goal. It would raise costs on businesses leading to mass layoffs, it puts the state budget into a deficit, and it would force cuts to local communities for housing, police, and fire protection," Whitmer's press secretary Stacey LaRouche said in a statement. "Ensuring sustainable funding for our roads means we need to both be serious about new, fair revenue, and looking at fiscally responsible cuts. It's more important than ever for all sides to get back to the negotiating table soon to work on a bipartisan agreement that fixes our roads and puts Michiganders first."

The Michigan Townships Association praised the bill package.

"This goes a long way for our members to ensure that they are not going to lose that constitutional revenue sharing in terms of having it back

filled," said Judy Allen of the Michigan Townships Association. "As well as allowing us to have more work done through the Neighborhood Roads Fund, whether it is for that amount of money that is allocated for local roads, driveway to highway...or your subdivision that will be able to benefit from the funds.

[Rep. Matt Koleszar](#) (D-Plymouth) said he was glad the plan was taking townships into account.

"Obviously, this conversation is going to evolve through the House and the Senate and conversations with the executive branch, but still, just making that concerted effort toward townships," he said.

The Michigan Public Transit Association raised concerns about the bill package due to decreased revenue for transit providers across the state.

"The all-time low share of state support that is going into public transit even as we see demand increasing," John Dulmes of the Michigan Public Transit Association said (editor's note: This story was changed to correct the name of the Dulmes and his organization).

The Michigan Infrastructure and Transportation Association praised the committee for advancing the bills.

"With this momentum, it is critical that leaders in Lansing act quickly to pass a plan that protects thousands of jobs while ensuring our roads and bridges are safe and reliable for future generations," Rob Coppersmith, executive vice president of the organization said in a statement.

"Michigan has kicked the can down the road for too long—now is the time for action."

– By Elena Durnbaugh

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