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Donohue Hopeful For A Roads Deal This Year

County Road Association of Michigan CEO Denise Donohue said this week that the increased attention on road funding is a good sign that all parties can come together and get something done.

Donohue appeared on MichMash, the podcast partnership between Gongwer News Service and WDET Detroit Public Radio, to discuss road funding following Governor Gretchen Whitmer's State of the State.

On Wednesday, Whitmer again called for a road funding compromise between legislative Democrats and Republicans. She also put businesses on notice, saying new revenue is needed and couldn't be put "on the backs of the middle class."

Donohue said Whitmer and House Speaker Matt Hall (R-Richland Township) keeping roads in the conversation is a positive sign for a final plan developing.

She also said the governor was right to say new revenue and cuts are needed to fund the roads with an additional \$3 billion-plus annually.

"Talking about something substantial in that (\$3 billion) neighborhood is huge, which suggests to me we will get to a compromise," she said.

"The other thing I think is significant is the speaker's plan and the governor are talking about removing the sales tax from roads."

Donohue said removing the sales tax from fuel purchases and replacing it with a revenue neutral fuel tax means more money for roads and ensuring that everything paid at the pump goes to road repairs and maintenance.

Republican lawmakers in particular have long called for removing sales tax from roads. The sticking point has been that sales tax revenue largely goes to schools.

Donohue said holding schools harmless from the change is important, as well.

"It is very encouraging that both plans are talking about a specific replacement for the revenue going to schools," she said.

Removing the sales tax from fuel and finding a modest amount of existing funding could get more than \$1 billion to roads without other changes. Donohue, though, said more than \$3 billion really is needed to get the roads in better condition.

Still, "every little bit of extra funding helps," she said.

- By Alethia Kasben

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