

Friday, November 22, 2024

[Listen to the Article](#)

Hall Offers First Pass On Roads; Democrats Seem Open

House [Minority Leader Matt Hall](#) on Friday became the first prominent state official this term to put forth a road funding proposal, and the Democrats who control state government for another 39 days neither embraced nor rejected his idea to redirect \$2.7 billion in existing state revenues to roads.

Hall (R-Richland Township) proposed increasing road funding by \$2.7 billion through earmarking nearly all revenues generated by the Corporate Income Tax and directing all revenues generated at fuel pumps to roads.

Hall's plan comes days after [Governor Gretchen Whitmer's](#) office nudged majority House Democrats to move forward with one of any number of options to increase road funding, Whitmer's signature campaign issue from her first campaign in 2018 (See [Gongwer Michigan Report, November 19, 2024](#)).

"Everyone says they want to fix the roads when the cameras are on, but nobody has taken any real steps to do it these past two years," Hall said in a statement. "The people are sick and tired of inaction and empty words. That's why House Republicans are taking over in the state House. We are ready to get to work and actually get things done, starting with a real roads plan we can pass the first day we get back in December."

Hall called for immediately reallocating \$1.2 billion in revenue from the 6 percent tax on C-corporations, with another \$600 million reallocated in 2026 for a total of \$1.8 billion, nearly all the revenues that tax generates. Further, he called for removing the 6 percent sales tax on fuel, which now mostly goes to the School Aid Fund, and increasing the fuel tax by a corresponding revenue neutral amount (about 18 cents per gallon at current prices) to generate what Hall said would be about another \$945 million for roads.

The second round of monies from the CIT, the \$600 million in 2026, currently goes toward the Strategic Outreach and Attraction Reserve Fund, but the earmark to it expires after next year.

The plan would hold school funding harmless, Hall said, though it was not immediately clear how that would be achieved. Hall spokesperson Jerry Ward said a variety of options are under consideration.

The proposal would largely redirect monies out of the General Fund, but Hall said with the General Fund having grown by 40 percent since 2018, the resources are available.

The initial reaction from Democrats was noncommittal to Hall's specifics but it also wasn't negative.

Stacey LaRouche, spokesperson for Governor Gretchen Whitmer, said in a statement the governor wants to see a long-term funding solution.

"Governor Whitmer is committed to fixing the damn roads and bridges across the state," LaRouche said. "By the end of this construction season, we will have rebuilt or repaired nearly 23,000 lane miles and 1,600 bridges, supporting 118,000 jobs. We agree on the need for a long-term funding solution, and Governor Whitmer will work with anyone who is serious about getting things done."

House [Speaker Joe Tate](#) (D-Detroit) in a statement said he was happy to see Hall thinking about road funding and that he was open to talks on bipartisan solutions.

"Let's have that conversation. It's a priority for the people of Michigan, and so, of course, it is a priority for me to keep that dialogue open," Tate said. "It's always been one of my core values as a lawmaker to work closely with my colleagues in the house, with our Senate counterparts, and with the governor's office in order to deliver not just a better but the best Michigan for residents – that most certainly includes making investments in local roads, highways, and bridges."

Senate [Majority Leader Winnie Brinks](#) (D-Grand Rapids) in a statement said the Democrats have worked towards improving roads and infrastructure over the past two years and appreciated Hall's recognition that more needs to be done.

"Fixing our roads has been an ongoing, bipartisan challenge for decades in this state, and it's going to require serious bipartisan collaboration and solutions," Brinks said. "My Senate Democratic

Caucus and I are ready to work together to keep improving our roads in all parts of the state, whether it's today, next month or next year."

Transportation groups hailed Hall for getting a public conversation started.

"We're glad to see real proposals to increase transportation funding – a challenge that should be at the top of the legislative agenda," said John Dulmes, executive director of the Michigan Public Transit Association.

"It's important to reiterate that Michigan's transportation fund also gives vital support to public transit providers across our state – and this operating support has dwindled to the lowest share in history. We look forward to working with legislators and the governor on any and all proposals that would protect and grow Michiganders' rides to work, school, medical appointments, and more."

Rob Coppersmith, executive vice president of the Michigan Infrastructure and Transportation Association, said it was exciting to see renewed interest on road funding. He said MITA will need to give the Hall plan a deeper look.

"Hopefully this will be the catalyst for Democrats and Republicans to find some middle ground on this," Coppersmith said.

MITA has been doing outreach to lawmakers over the past year on road funding needs in members' districts, Coppersmith said, adding their efforts may be bearing some fruit. He pointed out that the bonding that the governor's administration authorized in her first term is drying up.

Coppersmith also said road construction jobs are good paying and are careers, not flash-in-the-pan. Having a steady source of funding would ensure more workers remain in Michigan, he said.

"It would be my sincere hope that something happens in lame duck," Coppersmith said. "It's a jobs issue. We certainly don't want to slow this train down."

County Road Association of Michigan CEO Denise Donohue was also pleased with the heightened focus on road funding.

"We are very pleased by the conversation all the way around," Donohue said. "All sides have prioritized this issue. There is time to negotiate and get this done in the next couple of weeks."

Donohue said the CRA has long stated that there needs to be a substantive increase in local road funding, and something with the

numbers Hall was proposing would certainly qualify. She said she hopes lawmakers and the governor's administration move forward with negotiations. She added that the high percentage of road millages across the state that are approved by communities is a sign that the public is supportive of more road funding through various sources.

"This ranks at the top of people's list of concerns," Donohue said.

Hall noted his proposal would provide local roads with their first real funding increase in years. Whitmer pumped hundreds of millions into state-owned roads with her 2020 bonding plan, but none of those funds were for local roads and those funds are nearly exhausted, setting up a funding cliff without an infusion of new money for transportation.

"This administration's focus on roads the past couple of years has been just on state highways," Hall said. "We have been listening to our neighbors and local officials who know things aren't getting fixed and that our local communities haven't been a priority. And now things will get even worse with all of the easy money coming to an end. Tough decisions need to be made, and strong leaders need to step up and make them. If we don't want our roads to get even worse, we either need to raise taxes or actually make road funding a priority in the budget. We all saw how Gov. Whitmer's 45-cent tax plan went over. With state revenues up tens of billions of dollars since then, it is even more obvious that politicians should be able to find this funding without going back to the people to ask for more."

– By Zach Gorchow and Nick Smith

[Back to top](#)



Copyright 2024, Gongwer News Service, Inc. All rights reserved.

[Terms of Service](#) [Privacy Policy](#)

