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Hall On Budget, 'Sanctuary Cities,' Funding A Roads Deal

House [Speaker Matt Hall](#) said he has three priorities for this year's budget: funding a public safety trust fund, reducing the personal income tax and providing \$3.1 billion toward a long-term road funding solution.

The price tag on all that should be smaller than last year's \$80 billion budget.

"You do it by setting priorities," he said. "Why are we giving billions of dollars to the corporations every year? We should fix the roads first. We should make sure our communities are safe first and then we should put more money back in your pocket. Government has grown 43 percent under Whitmer."

During a Thursday press conference, Hall discussed [Governor Gretchen Whitmer's](#) budget proposal for the 2025-26 fiscal year, the potential for a deal on road funding and what he hoped to see out of the budget process in the coming months.

Hall said he was looking forward to hearing Governor Gretchen Whitmer's road funding plan next week, but he said it was odd that it wasn't represented in her budget.

"If they built this budget and then they came up with a roads plan, and they didn't integrate it into the budget, why?" he said. "I'll remind you – we get there, \$3.1 billion, without raising taxes."

Hall presented his own roads plan last month that includes eliminating tax breaks under the old Michigan Economic Growth Authority program. Among other funding sources, the plan also dedicated \$2.2 billion in funding from the Corporate Income Tax to roads, along with all money collected through taxes paid on fuel purchases ([See Gongwer Michigan Report, January 16, 2025](#)).

During Thursday's press conference, Hall said he was open to a conversation on raising the 6 percent Corporate Income Tax for the purpose of providing incentives to large corporations.

"I would support raising the CIT or the corporate giveaways ... they're the ones that should pay for that, not working people," he said. "When it comes to roads, what I support is the plan I put forward, which is dedicating CIT to roads, and you see how we can do that without raising taxes. So, the raising taxes would be if it's needed for the corporations to give incentives."

With intentional budget cuts, Hall said there would be plenty of funding to fund roads and other House Republican priorities without increasing the size of the budget.

"You're going to have room for a Public Safety Trust Fund, you're going to have room to reverse the Democrat income tax hike back to 4.05 where it's supposed to be, and we'll fix the roads without raising taxes," Hall said. "We can do all of those things. ... My target is that we're going to be a smaller budget than we were last year, and we're going to fit the roads in there, and we're going to try to fit the income tax cut."

Hall said the House would introduce legislation to lower the personal income tax from 4.25 percent to 4.05 percent soon. The income tax fell to 4.05 percent in 2023 under a provision of the 2015 road funding package that said the income tax rate would fall to reflect superheated revenue growth should it occur. But then the Whitmer administration declared the rate was back to 4.25 percent in 2024 and won a court fight with Republicans on the matter.

The speaker also discussed reducing the number of earmarks included in the budget, which is something he proposed in his roads plan. Ideally, he said he'd like to see the price tag for earmarks fall from \$600 million to \$100 million.

One way to limit earmarks is the new House resolution, [HR 19](#), that Hall introduced on Thursday which would ban communities with sanctuary policies and those that refuse to cooperate with federal immigration officials from receiving additional state funding.

The rule would prohibit any jurisdiction that refuses to comply with federal immigration enforcement measures from receiving additional state funding. The resolution does not prohibit municipalities from receiving constitutionally required revenue sharing.

"What I wanted to do with this resolution is basically send a message to these townships, these counties, these cities that are having these conversations right now, that if you have become a sanctuary jurisdiction, there are going to be consequences," Hall said.

Hall defined sanctuary jurisdictions as any municipality that does not help enforce federal immigration law.

"If they're willing to certify that they'll comply with federal law enforcement and federal immigration policy, and they'll work with ICE, then they're eligible for earmarks," he said. "If you look at this Democrat budget under Whitmer, where it averages \$600 million a year that they get from the taxpayers for things like splash pads, a hip hop academy in Lansing, a Zen center for the Novi Public Schools, I think we're on very solid footing if we say that there will not be taxpayer state-funded splash pads in sanctuary cities. If they want us to pay for their splash pads, then they can comply with federal law."

House [Minority Leader Ranjeev Puri](#) (D-Canton) criticized the resolution in a statement on Thursday.

"This proposed policy is irresponsible and reckless – it's nothing more than yet another act of Republican chaos in their ongoing political theater," he said. "Financially punishing cities for exercising their rights would be economically disastrous for these local communities – it could mean schools would have to close their doors, public safety could plummet and families could lose access to programs they rely on to keep a warm dinner on the table. Simply put, increasing costs for these communities would increase costs for all the Michiganders who live there."

Realistically, Hall said that he expected the budget would get done by September 30 rather than July 1.

He said that the July 1 statutory deadline was something he voted for as part of a compromise with Whitmer during one of her early budgets to prevent her [Administrative Board](#) from making changes to what was passed by the Legislature.

"July 1 is a good aspirational goal, and that's why I voted for a bill that didn't include a penalty to get there," he said. "The reality with the people we're dealing with here is it's probably going to be September 30. ... With me as Speaker of the House working with Governor Whitmer, we will drag Winnie Brinks over the line, and we will get this budget done."

Hall said if Senate Democrats want to throw up roadblocks and cause a government shutdown, that's their prerogative.

"If Democrats want to shut down the government over pork projects for sanctuary jurisdictions, I guess they can do that, but the public would not be behind them," he said.

– By Elena Durnbaugh

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