



**BREAKING: Hall Announces \$2.7 Billion Road Funding Plan -- 9:18 a.m.
11/22/24**

The presumed next House Speaker, [Matt HALL \(R-Richland Township\)](#), announced a \$2.7 billion annual road funding increase plan this morning that he's hoping to see get taken up during lame duck.

"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 press release.

He's made clear since being named by Republicans as their selection for House speaker in the 2025-26 term that his first priority moving forward will be the roads.

Under Hall's plan, \$1.2 billion of corporate income tax (CIT) revenue would be allocated right off the bat to infrastructure. Starting in 2026, the remaining \$600 million would also go to roads. The final \$1 billion would come from using all state taxes collected at the gas pumps for roads, which would be another approximately \$1 billion increase.

Local roads are part of this plan too, with the most resources of the initial \$1.2 billion going to those local road agencies, the press release says.

The secondary investment, the \$600 million that would be dedicated in FY 2026, would replace the allocation of \$500 million set aside for the Strategic Outreach and Attraction Reserve (SOAR) Fund, the \$50 million for the Revitalization and Placemaking (RAP) fund and the \$50 million for the House and Community Development fund.

The state's six percent sales tax at the gas pump would be replaced with a "corresponding revenue-neutral increase" that would prevent diverting funds from schools.

"State revenue has exploded in recent years and so has government spending. But what do we have to show for it?" Hall said. "Politicians spending billions of dollars every year on new projects and new programs, and then they turn around and say they have no money available for our local roads. It's a lie."

The \$2.7 billion request tracks with what the Michigan Department of Transportation (MDOT) told the state Transportation Commission earlier this month needs to be added annually to the current investment to put 90 percent of Michigan's roads in good condition by 2040 (See "[Transportation Commission Greenlights Final 5-Year Plan With Few Changes](#)," 11/7/24).

Mitch **BEAN** of Great Lakes Economic Consulting said a strong case can be made for the need for the additional \$2.7 billion for roads, but Hall's plan is redirecting existing revenue as opposed to raising new revenue.

Dedicating Corporate Income Tax will come at a cost to the General Fund, which begs the immediate question of "what are you going to cut to balance the budget," as is constitutionally required, he said.

In terms of replacing the sales tax on gasoline with a revenue neutral charge on gasoline, as has been proposed by prior Republican House Speaker Lee Chatfield, the question is repeated. If the plan keeps the School Aid Fund revenue neutral, what is being cut from the General Fund to prevent cuts to schools, Bean asked.

The General Fund is currently around \$15.8 billion. Net business taxes are about \$2.1 billion, of which \$1.5 billion goes to the General Fund. So, \$2.7 billion is about 17% of General Fund, Bean said.

"Where is your offset?" he said. "We're not the federal government. We can't print money."