



Gas tax hike, tolls, higher fees among road funding fixes proposed by Michigan Democrats

By Justin Hicks, 12/5/24

Michigan lawmakers have proposed a trio of options to increase road funding during the legislature's lame duck period.

On Thursday, Dec. 5, Democrats in the state House introduced three bills to address Michigan's annual road funding shortage. The move comes after Republicans proposed their own change late last month.

Among the latest options to be considered by lawmakers:

- A gas tax increase of 19 cents per gallon
- A \$100 increase in annual vehicle registration fees
- The creation of a tolling authority to designate some segments as toll roads and set fees for usage.

Rep. Jasper Martus, D-Flushing, sponsored bills proposing toll roads and an increased vehicle registration fee.

House Bill [6256](#) would allow for the creation and enforcement of toll roads and lanes in Michigan. A Michigan tolling authority, appointed by the governor, would set toll rates and establish enforcement procedures.

House Bill [6257](#) would allow the state to collect another \$100 from each vehicle registrant.

Thirdly, House Bill [6258](#), introduced by Rep. Alabas Farhat, D-Dearborn, would increase the fuel tax on both gasoline and diesel fuel by 19 cents.

Michigan drivers already pay 69.4 cents per gallon in 2024 between state gas tax (30 cents), federal gas tax (18.4 cents) and state sales tax (21 cents).

The state fuel tax is already scheduled to increase to 31 cents per gallon [in 2025](#).

The trio of bills were all read for the first time Thursday and referred to the committee on transportation, mobility and infrastructure for consideration. They would need to be passed by the House and Senate before going to the governor's desk for final approval.

Attempts by MLive to contact both sponsoring lawmakers Thursday afternoon weren't immediately successful.

Michigan has been in need of a long-term funding solution to combat the annual shortfall that has expanded to at least [\\$3.9 billion](#), according to the nonpartisan Lansing firm Public Sector Consultants.

Gov. Gretchen Whitmer proposed a 45-cent gas tax increase when she took office in 2019, but lawmakers on both sides of the aisle opposed that option. She later funded short-term fixes but Michigan is nearing the end of 2024 without a long-term solution

Meanwhile, Michigan's roads are deteriorating faster than they're being fixed. Between 2021 and 2023, the state improved 16.2% of its federal-aid-eligible roads, but reported 21.2% of roads declining during that period.

The same is true for local roads. Denise Donohue, CEO for the association, said county road agencies have stopped gaining on the problem and are [merely "treading water"](#) until a long-term solution is adopted.

Rep. Matt Hall, R-Richland Township, also recently proposed an option to increase road funding by \$2.7 billion annually. [The House minority leader's plan](#) would adjust how fuel is taxed and allocate corporate income tax revenue to road repairs.

But [educators have pushed back on the Republican plan](#) that would, in part, get funding from redirecting the sales tax on gasoline that mostly goes to schools.

As of 2023, about 33% of Michigan's primary roads were in poor condition. Without an influx of funding, the Michigan Transportation Asset Management Council projects 50% of those roads will fall into poor condition.