Whitmer, Hall & Construction Workers Do Ceremonial Roads Deal Signing

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(CLINTON TOWNSHIP) – In front of a large on-site construction sign reading "Fixing The Damn Roads" in bright letters, the Governor conducted a ceremonial signing of the $1.8 billion road funding deal that dominated this year's lengthy budget negotiations.

Speakers, along with Gov. Gretchen WHITMER, included House Speaker Matt HALL (R-Richland Township), Rep. Denise MENTZER (D-Mount Clemens) and Macomb County Executive Mark **HACKEL**. The event took place off of Metropolitan Parkway in Macomb County, in the middle of a road construction site. Attendees included workers for the Mount Clemens-based Cadillac Asphalt contractor and the C.A. Hull Commerce Township contractor.

"We realized that the trajectory we were on was a negative trajectory .... even $85 million annually just wasn't getting us there, and so we needed a bump," Hackel said about the state of road funding prior to the deal. Under today's bills "we're looking at about another $30 million annually, and that is significant. That is substantial, and it's going to be sustainable ... it's not the one-time shot where we're going to compete for road projects or bridge projects here and there."

The Governor technically signed the bills setting up the new road funding on Oct. 7.

The deal looks to make $1 billion available exclusively for roads by directing all state taxes paid at the fuel pump to roads, no longer subjecting motor fuel to a state sales tax going toward public schools and revenue-sharing payments to local governments.

Components also include subjecting marijuana to a new 24 percent wholesale tax, aimed at generating $420 million annually.

Furthermore, Michigan decoupled itself from matching new tax deduction practices under the One Big Beautiful Bill Act (OBBBA) that President Donald **TRUMP** signed in early July. Businesses will be able to file for large federal tax deductions under OBBBA for eligible purchases, like certain research and development (R&D) investments, covering all of 2025 and going back to 2022.

However, because Michigan won't be matching those certain OBBBA provisions, businesses will continue expensing things for state-level tax deductions over five-year periods. According to the legislative analysis, the decoupling action looks to help Michigan hang onto $540 million in tax dollars in the new fiscal year, $443 million in Fiscal Year (FY) 2027 and $433 million in FY 2028.

"The Governor likes revenue a little more than I do, and I said 'well, look, if we cut waste, fraud and abuse, I'll match you dollar-for-dollar,'" Hall said at the podium. "Finally, we dedicated all the money collected at the pump to roads. That's something I've been trying to do since I got elected. It's something the House Republicans have been trying to do for over 10 years ... it makes sense to people."

Republican lawmakers were successful in downsizing government spending. For example, the budget deals the Governor signed last summer were $82.5 billion, and $81.5 billion in the summer of 2023. This year's is being calculated at around $81 billion, reducing full-time government job posts by 1,800 and shrinking business grant and loan programs (See "1,800 State Government Positions Cut In Budget; Whitmer Says 'No Layoffs,'" 10/3/2025), (See "Omnibus Rolls Through Senate, House," 10/2/2025).

Hall claimed that during road funding negotiations, Democrats wanted to increase things like Michigan's corporate income tax, the state gas tax and fees on operating heavy trucks and delivery services.

"I was not going to sign off on any revenue source that really hit working people, even though the Democrats wanted that," Hall said.

On Oct. 7, the Michigan Cannabis Industry Association filed a lawsuit in Michigan's Court of Claims against the state Treasurer, alleging that legislators acted unconstitutionally in approving the 24 percent wholesale tax on weed.

"If it turns out that that revenue source is not upheld in court, well, I've got more waste, fraud and abuse that we can cut," Hall said about the lawsuit. "There's 3,000 more ghost employees we can get rid of. There's more wasteful grant programs. There are all kinds of things we can do to cut and set better priorities in government."

Throughout today's event, there was a focus on Whitmer's "Fixing the Damn Roads" slogan from her 2018 campaign for governor. Attendees carried signs reading "Caution: Governor at Work," and some folks walked away with yellow T-shirts reading "Big Gretch Gets It Done" on the front and "Fixing the Damn Roads" on the back.

She said the deal – which is projected to reach $1.9 billion annually once fully phased in – means fewer popped tires and cracked rims, as well as safer and smoother drives to work, school and the store.

Although the Governor did take out $3.5 billion in state bonds for large road repairs during her first term, she said the bonds could not be used on local roads. Meanwhile, today's deal will infuse $1.1 billion this fiscal year into a new "Neighborhood Roads Fund," moderately reaching a little above $2 billion in 2030 for county and municipal road projects.

"Michigan drivers face some of the highest road-related costs in the country, almost $3,000 a year in Metro Detroit. It's not just money, it's time," Whitmer said. "It's stress. No one likes taking their car into the shop and waiting to get it back, working through insurance ... when roads are broken, our economy and our people suffer."

Rep. Jason MORGAN (D-Ann Arbor), who started a Public Transit Caucus in the Legislature last year, explained to journalists that the deal also puts about $160 million into public transit, with approximately $65 million annually going toward "transformational transit projects."

"It could be passenger rail or major infrastructure improvements, expanding routes ... and then there's about $95 million that the intention is for going to ... shoring up local bus operating funds throughout the state," Morgan said. "The most immediate thing that Michiganders are going to see is increased service and quality of public transit everywhere throughout our state, with our local transit providers because they now are going to get a significantly higher match from the state for their transit operations."