

# Road Funding Policy/Reform Ideas

## GOVERNMENT STREAMLINING/SAVINGS:

Eliminate the Motor Carrier Fuel Tax 1.5 percent Collection Fee (\$14 million) given to wholesalers. There are very few other excise taxes that reserve a percentage of the fees to be paid to the collecting agencies. \*

Truck Licensing—Provide heavy truck one-stop shopping for all truck licenses; currently they must deal with five different agencies. \*

Get rid of the \$100-per truck registration fee now that they no longer regulate trucking. (Page 24/Dykema) \*

Form special committee to review long-term funding options (SB 59). \*\*\*\*\*

Place a sales tax cap on gasoline when gas prices reach a certain dollar value (Page 25/Dykema). \*\*\*

Require all investment proceeds from MTF to be retained by the MTF. \*\*

Require swapped federal road dollars to be used for road construction and not diverted to other purposes like snow plows and unrelated overhead. (Page 26/Dykema) \*\*

Utilize Michigan's 21<sup>st</sup> Century Jobs Fund for important economic roads and infrastructure projects. \*

## IDG Reforms

- Restructure TAC Fund to make it self-sufficient. Redirect the previous \$2.25 driver license fee increase from State Police to the TAC Fund. \*
- Require Auditor General do an actual time and effort study of State Police, Department of Treasury and Secretary of State by December 2007 to determine a more realistic assessment of IDGs and TAC fund charges to the MTF. \*\*
- Eliminate IDGs; do not allow automatic increases just because revenue collections increased. \*\*

Improve the state's control over the type, length and cost of environmental impact statements. \*

Require signage on major construction jobs to educate the traveling public about the type of fix being implemented, with particular emphasis on short-term fix projects. \*\*

## **CONGESTION RELIEF:**

Fast lanes -- Require MDOT to do a feasibility study of fast lanes in Michigan to see which roadways might be able to support the traffic flow necessary to make them self sufficient. (Page 13/Dykema) \*

Apply for the new “Corridors of the Future” designation, positioning us for expedited federal permitting, new financing options, and increase the odds of being picked as one of the express lane demonstration projects. \*

Implement variable direction lanes – consider on some congested roadways. \*

## **ROAD AGENCY CONSOLIDATION/EFFICIENCY:**

Determine how the new state transportation dollars will be spent, according to the three work categories (routine maintenance, preserve, capacity improvements). \*\*

Designate high priority road network – focus limited dollars on roads critical for economic development. \*

Promote consolidation of road agencies. Allow counties to consolidate road commissions into general county government and allow contiguous road agencies to form regional road authorities.\*

Require cities receiving less than \$150,000 in MTF funding to contract with neighboring road agencies. \*

Require local agencies to adopt asset management program recommendations of the Michigan Asset Management Council. Require local road agencies to keep scorecards based on performance standards and actual measures of performance (Michigan Asset Management Council). \*

Make changes in state trunk line maintenance, allowing private entities to bid all state work in each county (MDOT currently does maintenance in 21 counties). \*

Allowing local road agencies to have the authority to request a millage. \*

Change the amount of roads under state jurisdiction. Currently MDOT manages only 8 percent of the roadways, compared to neighboring states at 12.4 percent. \*

Requiring planning coordination between neighboring road agencies and local public works agencies. \*

Create a local incentive match fund to reward local governments that consolidate operations or raise more dollars locally. \*

## **ENCOURAGE LOCAL INVESTMENT IN ROADS:**

Allow counties to initiate local option gas taxes, vehicle registration fees, or drivers license fees. (Page 14/Dykema) \*\*

Offer financial incentives/match to raise local govt/private dollars. \*

## **INCREASED CONTRACTOR ACCOUNTABILITY/ROAD WARRANTIES**

Construction Quality Partnership (CQP) -- Implement new quality training certifications even before road projects are carried out. (Page 20/Dykema) \*\*

Expand road warranties to include design work. (Page 22/Dykema; ACEC amendments) \*\*

Encourage the use of Pavement-for-Life concept, which would require contractors to build and maintain roads for a long life-span (ie. 25 years). \*\*

## **LOOPHOLE CLOSURE**

Require new cars to pay vehicle registration at time of purchase rather than birthday. (\$24 million). (Page 6/Dykema) \*

End unnecessary tax loopholes on vehicle registrations for various industries (logging, milk, farming, hearses, car dealership, non profits). (\$10 million) \*

End vehicle registration fee 3-year depreciation step-down. \*\*

## **FOOTNOTES**

\* *Recommendation based on Mackinac Center "Road Funding: Time for a Change" study, April 2007.*

\*\* *Recommendation from the Michigan Infrastructure and Transportation Association.*

\*\*\* *Recommendation from Rep. Jack Hoogendyk.*

\*\*\*\* *Legislation sponsored by Sen. Jud Gilbert.*