

## Michigan Gov. Proposes \$40 Annual Fee for Road Repairs

*Detroit Free Press* – October 27, 2011

Gov. Rick Snyder is proposing fee increases to repair roads and improve bus service. In an effort to create jobs through a better road system, Snyder is calling for replacing the current 19-cent-per-gallon gas tax on consumers with a percentage wholesale tax on fuel, which he believes will stabilize the state's road funding. The wholesale tax would tie revenues to the cost of gasoline instead of the amount of gasoline being purchased, which has declined as consumers cut back on driving with the high gas prices.

"Michigan's infrastructure is living on borrowed time," Snyder said. "We must reinvest in it if we are to successfully reinvent our economy. I haven't met a Michigan driver yet who is satisfied with the condition of our roads and yet we're facing a \$1.4 billion shortfall just to maintain our current system."

The governor's proposal also includes asking voters to revive a county or regional fee on vehicle registration of up to \$40, which could potentially bring in \$300 million annually for local roadways.

A potential way to add revenue sources, according to Snyder, would be, for example, for the state to increase vehicle registration fees by \$10 per month (or \$120 a year) on the average passenger vehicle? Such a move would mean nearly \$1 billion for the state, he said, but would cost the average driver the equivalent of two trips to Starbucks.