Proposal 1: Frequently Asked Questions

What is the current condition of Michigan roads?

Thirty-eight percent of Michigan's state- and locally-owned urban roads and 32 percent of the state's state- and locally-owned rural roads are in poor condition, according to the national transportation research group TRIP.¹

Do poor road conditions reflect unsafe roads?

Law enforcement leaders who are members of the Safe Roads Yes! coalition report their officers expressing concern about high-speed driving to emergency calls. EMTs are trying to insert needles into patients while being jolted on potholed roads. Young drivers-in-training are being taught how to address potholes along with their usual driving lessons. Overall, poor roads are creating unsafe situations for drivers. Even opponents of this proposal admit – it's time to do something. They disagree with the measures in the proposal, but don't dispute its need. They also don't offer a viable plan that will fix the roads without massive cuts to other essential state programs and services, such as education, healthcare and public safety.

What does Proposal 1 do?

Proposal 1 is the only statewide initiative to guarantee funding for safe roads. Voters will decide on May 5 whether to:

- Create a funding stream that the constitution guarantees must go to roads, bridges and transportation. No longer would the Legislature be able to divert state taxes we pay at the pump to non-transportation purposes.
- Require road builders to warranty the roads they build. (Violators of the warranty would pay for subsequent repairs.)
- Replace the revenue local communities and schools would lose from the sales tax on gas by increasing the sales tax from 6 percent to 7 percent. (Groceries and prescription drugs will continue to be exempt from the sales tax.)
- Create a constitutional protection for the School Aid Fund, directing 100 percent of School Aid Fund revenue to K-12 schools and community colleges.

Opponents argue that Michigan should use existing state money to fix roads and bridges. What would that look like?

Bringing Michigan's roads and bridges up from poor condition using today's state budget would require drastic cuts to funding for local communities, schools, public safety officers and other budget priorities—all areas that have sustained substantial reductions over the last 15 years.

Ohio – a state with a similar climate and road system to Michigan – annually invests over \$1 billion more on its roads than does Michigan.²

¹ TRIP, News Release, 12/3/14:

http://www.tripnet.org/docs/Michigan TRIP News Release 12-03-14.pdf

² Michigan Department of Transportation; 2010 U.S. Census Data.

Waiting longer to fix Michigan's roads will ultimately raise the cost of repair. For every \$1 invested in maintaining our roads and bridges, they say taxpayers save at least \$6 in reconstruction costs.³ Studies show that nearly \$3 million is lost daily and over \$1 billion is lost annually in the value of the state's transportation due to poor and unsafe road conditions.

When was the last time Michigan raised taxes to pay for roads?

The last time Michigan raised taxes to pay for roads was 1997—18 years ago. Since then, inflation and more fuel efficient automobiles have eroded the value of the gasoline tax in providing revenues for road repairs. In FY 2000-01, the gasoline tax brought in \$2.103 billion. Fifteen years later, in FY 2014-15, gasoline tax revenues were \$2.154 billion – virtually no growth at all. (If revenues had increased just by the rate of inflation, they would be at nearly \$3 billion today.)

Proposal 1 promises to modernize our road funding system. Under Proposal 1, all state gas taxes we pay at the pump are guaranteed in the constitution to go to transportation.

What role do heavy trucks play in destroying Michigan's roads?

The Michigan Department of Transportation has thoroughly studied this issue, and has found that the most important factor when it comes to truck weight is the amount of weight distributed on each truck axle.

Engineers and researchers say that the effect of heavy trucks is over-estimated. They say that if truck weight were a major factor, roads outside of heavy shipping corridors such as I-94 and I-96 would be in better condition. They further argue that reducing truck weight limits could cause more damage to Michigan's road system, since more trucks would be needed to move the same cargo – increasing traffic congestion and raising safety concerns. After examining data and research, other states are considering adopting truck axle weight laws like Michigan's.

How would this proposal promote public safety?

Fixing Michigan's roads will make them safer by repairing dangerous potholes and improving roadway design. Today, many drivers swerve to avoid dangerous potholes or lose control of their vehicles as a result of flat tires. According to TRIP, a national transportation research organization, roadway design is a contributing factor in about one-third of fatal traffic crashes.⁴

Between 2008 and 2012, 4,620 people died in Michigan car accidents – an average of 924 fatalities per year. 5

³ American Association of State Highway and Transportation Officials (AASHTO) and The Road Information Project. (2009). "Rough Roads Ahead: Fix Them Now or Pay for It Later." http://roughroads.transportation.org/

 ⁴ TRIP, Michigan Transportation by the Numbers, January 2014:
<u>http://www.tripnet.org/docs/MI Transportation By The Numbers TRIP Report Jan 2014.pdf</u>
⁵ TRIP, Michigan Transportation by the Numbers, January 2014:

http://www.tripnet.org/docs/MI_Transportation_By_The_Numbers_TRIP_Report_Jan_2014.pdf

Opponents characterize Proposal 1 as a "special interest money grab" because it sends money to places other than roads. Is this true?

Proposal 1 does fund several other state priorities along with transportation – some intended to reduce the impact of the proposal on low-income families. For instance, the Earned Income Tax Credit for working families would be restored to 2010 levels, to help ameliorate the regressive impact of the sales tax on low-income wage earners. Additional resources will go to state schools and revenue sharing for townships and cities, which have suffered in recent years, to help provide important services to Michigan citizens.

Most people would not call these "special interests;" rather, they are essential services demanded by Michigan residents and taxpayers.

In fact, State Budget Director John Roberts has strongly defended <u>Proposal 15-1</u> to raise the sales tax as a way of generating money for roads, schools, local governments and provide tax relief for the poor. And he took exception to the new commercial from one of the opposition groups that features a white-haired lobbyist climbing into a grocery cart to represent the other areas—"special interests," as the ad calls them—that would receive funding.

"The idea that investing in education and local government is special interests," he said, "that's a new definition of special interests. They should have put a kid in the cart."⁶

Opponents argue that there is already enough money in the state budget to fund bridge and road improvements.

According to statements by Gov. Rick Snyder—as well as Republican Senate Majority Leader Arlan Meekof, and and Republican House Speaker Kevin Cotter, two of the Legislature's most respected and conservative members—there is *not* money available in the existing budget.

The vast majority of Michigan's \$52 billion budget comprises federal funds that must be used for some purpose other than roads. Michigan now spends less per resident on roads than any other state. What's more, Michigan's roads and bridges have suffered neglect from state legislators who have for years used road taxes to balance the budget in other areas. Proponents say this proposal solves two problems: it guarantees funds for safer Michigan roads by guaranteeing that every penny of state fuel taxes goes to transportation.

⁶ "Roberts Warns Against Spending Increased Revenues," <u>*Gongwer News Service*</u> Volume #54, Report #36— 2.20.15