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Report: Bad roads cost Michiganders \$14B per year

By Nick Manes - March 12, 2019



A new report underscores the notion that the state and drivers can pay more for infrastructure upfront, or continue paying a lot more down the road.

The report, authored by Washington, D.C., nonprofit transportation research group TRIP, determined that the state's beleaguered roads and bridges cost Michigan motorists \$14.1 billion per year in additional vehicle operating costs, congestion-related delays and traffic crashes. The average driver pays \$646 more per year, according to the report.



Lansing Mayor Andy Schor and Carolyn Bonifas Kelly of TRIP, March 12, 2019 | Susan J. Demas

The report comes one week after Gov. Gretchen Whitmer <u>proposed</u> an incremental 45-cent gas tax hike in an effort to raise almost \$2.5 billion in new revenue for roads, much to the ire of legislative Republicans.

Whitmer's administration estimates the 45-cent gas tax hike will cost the average driver \$276 annually.

"What the report demonstrates is that it's much more cost-effective to pay up front to fix the roads and keep them in good repair rather than passing those high costs to drivers at a time when many of them can ill afford it," Carolyn Bonifas Kelly, TRIP's associate director of research and communications, said during a news conference Tuesday in Lansing.

"One way or another, Michigan drivers will pay for their transportation system," she continued. "They can either pay a very high cost to drive on an inefficient transportation system or they can invest up front to fix the roads and have a much lower financial burden."

While the TRIP report didn't specifically endorse Whitmer's plan, it's a <u>similar</u> message to the one Whitmer delivered to the Legislature last Tuesday when making her budget proposal.



East Lansing potholes | Susan J. Demas

The evidence that Michigan's roads require significant work continues to percolate, as well. According to the TRIP report, 24 percent of the major roads in Michigan are in poor condition and 20 percent of are in mediocre condition. Those poor conditions lead to drivers paying \$4.6 billion annually in accelerated vehicle depreciation, added repairs and increased fuel consumption and tire wear.

Lansing Mayor Andy Schor notes that the Capitol City filled 5,000 potholes last year. But Schor, a former state House member, ultimately said a more holistic and "strong investment" from the Legislature is crucial.



Gov. Gretchen Whitmer presents her first budget plan, March 5, 2019 | Casey Hull Michigan's 2015 road funding package signed by former Gov. Rick Snyder will raise \$1.2 billion annually by 2021. The TRIP study determined that was

insufficient and "additional investment is

needed to complete numerous projects that would Michigan's road and bridge conditions, relieve traffic congestion and enhance traffic safety and efficiency."

A recent <u>report</u> by the nonpartisan Senate Fiscal Agency estimates that Michigan roads are on their way to requiring north of \$3 billion in new funding by 2021.

Whitmer called the cost to Michigan drivers highlighted in the TRIP report a "hidden tax." She noted that the estimated price tag to fix the roads and the costs to drivers continues to escalate with every new study.

"Every driver in Michigan is already paying a hidden tax on our roads, and the cost just went up. If we don't raise the \$2.5 billion we need to actually fix our roads the right way, with the right materials, the cost will continue to go up year after year," Whitmer said in a statement. "Patching potholes and ignoring the problem isn't working. Instead, it's hurting our families and businesses and holding our economy back."

Her funding proposal contains measures aimed at offsetting some extra costs at the pump, such as repealing the state's pension tax and raising the Earned Income Tax Credit (EITC) for low-income workers.



Sen. Jim Stamas at the Fiscal Year 2020 budget presentation | Casey Hull

Republican legislative leaders have largely shot down Whitmer's plan to almost triple the gas tax, however. State House Speaker Lee Chatfield (R-Levering) last week told reporters that the proposal "is a non-starter for my caucus."

GOP leaders have yet to offer a full-fledged plan for road funding. State Senate Majority Leader Shirkey (R-Clarklake) and state Sen. Appropriations Committee Chair Jim Stamas (R-Midland) have largely agreed that new revenue for the roads is likely needed, but they want the \$1.2 billion from the 2015 package to count toward Whitmer's proposed \$2.5 billion annually.