About Proposal 1
This proposal would provide funding needed to fix our roads and bridges for the long-term. It would require that all state taxes paid on gas go to transportation. State lawmakers would no longer be able to shift these taxes we pay on gas somewhere else.

When do I vote: May 5, 2015

What’s the impact on my community?: In addition to helping fix our roads, Proposal 1 would generate much-needed additional dollars for our schools and communities.

Ballot language: Coming soon

Frequently Asked Questions:

Isn’t this a special interest money grab because it sends money to a bunch of places other than roads?
Funding the agencies responsible for making our roads safe, for keeping our drinking water safe and clean, and educating our children are not special interests. They provide the essential services we all demand as Michigan residents and taxpayers. I would also note that this proposal would, for the first time, guarantee all state taxes we pay on gasoline must be used for transportation and nothing else. For the first time, the politicians in Lansing would no longer be able to shift state taxes on gas to some other place.

What do you say to those who argue there is already enough money in the state budget?
The answer is simple. No, there is not. $52 billion is a big number, and that’s the size of the state budget. But the vast majority of that amount is federal funds that must be used for some purpose other than roads. Michigan now spends less per resident on roads than any other state. Let me say that again: Michigan is now dead last in per-capita funding for roads. We’ve neglected our roads and bridges, and we’ve let the politicians send road taxes away from roads and transportation. This proposal solves two problems: It guarantees funds for safer Michigan roads by guaranteeing that every penny we pay in state fuel taxes goes to transportation. This proposal is not perfect … nothing from Lansing ever is. But it’s our last chance to fix Michigan’s roads for years if not decades and to end the road tax shell game in Lansing.

What is the current condition of Michigan roads?
Awful – and they’re getting worse. 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.

Want to see how bad Michigan’s roads are? Just take a drive — and you’ll see! The roads aren’t just “bad.” They were bad 10 years ago. Now the condition of many of our roads and bridges is simply dangerous. Just take a look — and you’ll see!

Can’t we just fix Michigan’s roads and bridges with existing state money?
No. The state doesn’t have the money to fix Michigan’s roads and bridges today without drastically cutting essential funding for our local communities, schools and public safety officers. And let’s face it: our local communities, schools and public safety sustained massive budget cuts during Michigan’s decade-long recession. Michigan invests less per capita in transportation than any state in all of America. We simply can’t fix our roads without raising more revenue. Ohio – a state with a similar climate and road system to Michigan – invests more than $1 billion more in its roads each year than Michigan does.

Waiting longer to fix Michigan’s roads will only cost us all more. For every $1 invested in maintaining our roads and bridges we save at least $6 in reconstruction costs. Fixing this problem now will save money later. We lose nearly $3 million daily and over $1 billion annually in the value of the state’s transportation.

When was the last time Michigan raised taxes to pay for roads?
The last time Michigan raised taxes to pay for roads was 1997. Eighteen years later, it’s time for Michigan to modernize how it pays for roads and finally fix them. Proposal 1 not only modernizes our road funding system, it guarantees in our constitution that every penny we pay at the pumps in fuel taxes must go to transportation. It ends the Lansing shell game of diverting revenues for roads someplace else in the state budget.

Aren’t heavy trucks the reason for Michigan’s bad roads?
No; this is a common myth. If it was the case, roads outside of heavy shipping corridors like I-94 and I-96 would be in good condition — but we know that is not the case.

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.

Reducing truck weight limits could cause more damage to Michigan’s road system, since more trucks would be needed on the road (also increasing traffic congestion and raising safety concerns). Other states are considering
adopting truck axle weight laws like Michigan’s.

**How will this proposal promote public safety?**
Fixing our 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. Between 2008 and 2012, 4,620 people died in Michigan car accidents—an average of 924 fatalities per year.

**How much will this cost me?**
Fixing this problem now will save money later—both for the state, and for individual Michigan motorists. A January 2013 study by the Michigan Department of Transportation titled “State Transportation Investment Comparison” found that Michigan ranks first for annual individual repair costs to registered drivers, at $357 per driver.

Michigan also ranks first (tied with Ohio) in total statewide annual repair costs. Michigan drivers spend over $84 per year more in repair costs than the average of the five comparison states. Michigan drivers even spend as much as $132 per year more in repair costs than neighboring Indiana.

Safer and better roads will cut down on motorists’ vehicle repair bills—not to mention reducing the risk of car accidents.

Michigan’s sales tax rate would be the same as neighboring Indiana (7 percent) if this proposal passes, according to the nonpartisan Tax Foundation. A 7 percent sales tax would be ranked 21st in the country.

**What guarantees in Proposal 1 improve Michigan’s road funding system for taxpayers?**
This proposal has three guarantees:

1. The proposal would guarantee, for the first time, that every penny we pay in state fuel taxes goes to transportation. The politicians in Lansing would no longer be able to divert state gas taxes to some other state program or service.

2. The proposal would guarantee that all state and local government road construction projects include pavement warranties. County, city and village road agencies will be required to submit warranty programs to the Michigan Department of Transportation for approval.

3. This proposal requires road builders to provide their own guarantees in the form of warranties on the roads they build. If the roads aren’t built right, the road builders will pay for the repairs, not taxpayers.

**Which roads will be fixed?**
Local, county and state governments have inventories of projects they haven’t been able to fund. The result: poor, unsafe and crumbling roads, and bridges with plywood preventing concrete chunks from falling onto the roads.

Contact your local road commission or the Michigan Department of Transportation for more information about road projects in your area.

**Will this proposal hurt the poor?**
No. This proposal is supported by organizations like the Michigan League for Public Policy (MLPP) because it also would restore the state’s Earned Income Tax Credit (EITC). The MLPP estimates that more than 1 million Michigan children are in families that will benefit from Passage of Proposal 1. The EITC targets low-income working families with temporary assistance to remain in the workforce and get back on their feet. President Reagan once called the EITC "the best antipoverty, the best pro-family, the best job-creation measure ever to come out of Congress." Here’s what the MLPP is saying about Proposal 1: "A ‘yes’ vote on May 5 would end the era of delaying needed road repairs or paying for them with borrowed dollars. All with a penny sales tax increase. The sales tax increase to 7 cents will put Michigan in the middle of the pack of states -- the same as Indiana’s. For working families earning the least in Michigan, the penny tax increase will be offset by a full restoration of the state Earned Income Tax Credit to 20 percent of the federal credit. The EITC is the best tool we have to reward work and lift families from poverty. More than 1 million Michigan children will benefit. What a win-win!"

**Facts & Figures**

**Ballot Proposal:**
- Raises the sales tax from 6% to 7%
- Exempts sales tax from motor fuel
- Removes higher education funding from the School Aid Fund
- Dedicates a a portion of the use tax to K-12 education

**Statutory Changes Effective Only if Proposal 1 Passes:**
- Increases the tax charged on motor fuel
• Eliminates the depreciation on vehicle registration fees
• Increase registration fees on the heaviest trucks
• Requires more competitive bidding and road warranties
• Restores the Earned Income Tax Credit to 20% of the federal level

Revenue Generated:
• $1.3 billion in new revenue for roads, bridges, and transit resulting in a 60% increase in funding to cities and villages
• An additional $100 million in Constitutional Revenue Sharing
• $300 million in new funding for the schools
• $260 million in tax relief through the Earned Income Tax Credit

• Roads - Nearly 30 percent of roads in Michigan are in poor or mediocre condition.
• Bridges - 27 percent of Michigan bridges are structurally deficient or functionally obsolete. To search for deficient bridges in your community, click here.
• Car repair costs - Michigan ranks first for annual individual repair cost to registered drivers, at $357 per driver
• Per capita spending - Michigan ranks last in per capita spending on roads at $154 (see chart below).

How much does Michigan pay per capita for roads compared to neighboring states? How much do we pay to repair our vehicles on average compared to other states as a result of bad roads?

<table>
<thead>
<tr>
<th>State</th>
<th>Investment in Roads Per Capita</th>
<th>Annual Repair Cost Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>$154</td>
<td>$539</td>
</tr>
<tr>
<td>Ohio</td>
<td>$214</td>
<td>$413</td>
</tr>
<tr>
<td>New York</td>
<td>$239</td>
<td>$505</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$275</td>
<td>$369</td>
</tr>
<tr>
<td>Indiana</td>
<td>$289</td>
<td>$391</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$302</td>
<td>$502</td>
</tr>
<tr>
<td>Illinois</td>
<td>$412</td>
<td>$449</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$530</td>
<td>$424</td>
</tr>
</tbody>
</table>

SOURCE: www.tripnet.org (extra vehicle repair and operating costs due to driving on roads in need of repair), Census 2010

Is it true that Michigan would have the highest sales tax in the country if this passed?
No – not at all. Michigan’s sales tax rate would be the same as neighboring Indiana (7 percent) if this proposal passes, according to the nonpartisan Tax Foundation. A 7 percent sales tax would be ranked 21st in the country when it comes to average state and local sales tax rates.

<table>
<thead>
<tr>
<th>State</th>
<th>State &amp; Average Local Sales Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan (today)</td>
<td>6%</td>
</tr>
<tr>
<td>Michigan (if Proposal 1 passes)</td>
<td>7%</td>
</tr>
<tr>
<td>Indiana</td>
<td>7%</td>
</tr>
<tr>
<td>Ohio</td>
<td>7.11%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>5.43%</td>
</tr>
<tr>
<td>Illinois</td>
<td>8.16%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>6.34%</td>
</tr>
<tr>
<td>New York</td>
<td>8.47%</td>
</tr>
</tbody>
</table>
What are the bill numbers that formed Proposal 1 and the road funding package?: HBs 4539, 5167, 5477, 5492, 5493, 5460, 4251, 4630 and Senate Bills 80 and 847.

- Go here to view a legislative analysis of the package:
- Go here to look up each individual bill and the related legislative analysis. (IMPORTANT: You will need to change the Legislative session to 2013-14 before typing in the bill number).

Newsletter, e-newsletter, and blog article

State-Wide Road Funding Ballot Proposal Goes Before Voters on May 5

Michigan's roads, bridges and highways were once the envy of the nation. Today, Michigan's roads and bridges are now a significant threat to driver safety, contributing to countless accidents as motorists swerve to avoid potholes. You see and feel their teeth-jarring, crumbling condition every time you drive.

You’ve seen the sheets of plywood affixed beneath road and freeway bridges across our state to keep chunks of concrete from falling on vehicles and pedestrians below.

Our kids are on Michigan’s roads and bridges — riding in our family vehicles and in school buses. Parents have to constantly worry if their children are safe, and if the deteriorating roads are going to cause their teenage drivers to have accidents.

Proposal 1 provides taxpayers with three guarantees:

If Proposal 1 passes, funding for safer roads will be guaranteed in Michigan’s constitution. The politicians in Lansing no longer will be able to shift the taxes we pay at the pump to some place other than roads and bridges.

- Every penny you pay at the pump in state gas taxes is guaranteed in Michigan’s constitution to go to transportation. The politicians in Lansing no longer will be able to shift the taxes we pay on gas somewhere else.
- Every penny in the School Aid Fund is guaranteed in the constitution to fund education where it helps our kids the most: our K-12 schools and community colleges. No more shell games with education funding.
- Warranties from the road builders. If their roads don’t last, they pay to fix them, not taxpayers.

If Proposal 1 fails the legislature has not provided a “Plan B” and it would be back to the drawing board with no timeframe for coming up with a solution. In the meantime the likelihood that our roads will continue to get worse, further threatening public safety and our economy will continue.

Voters can learn more about Proposal 1 at [www.SafeRoadsYes.com](http://www.SafeRoadsYes.com).