

2020 NFIB Michigan State Ballot – Local Road Taxes

Should Michigan pass legislation to allow local governments to create local gas taxes and vehicle registration fees for local roads?

5.68% YES

86.41% NO

7.91% UNDECIDED

Background: While road funding discussions have currently been confined to state taxes as a revenue source, legislation has been introduced that would allow local governments to raise revenue for their own roads if their voters approve a local gas tax or registration fee.

Supporters of allowing local governments to create their own gas taxes and vehicle registration fees say that right now the only way local governments can raise taxes for local roads is to bond out for road improvements or raise the property tax millage rate. They claim that these options are inadequate to support the local road improvements people want. Supporters point out that voters in the local jurisdiction would have to approve the tax and that the revenue would be solely dedicated to local road improvements.

Opponents of allowing local governments to create their own gas taxes and vehicle registration fees fear that the result would be a patchwork of local taxes around the state that would encourage motorists to drive elsewhere for gas or avoid moving into areas with local registration fees and taxes. They say that small businesses in the areas with these special taxes would suffer as customers drive out of their way to avoid them. Opponents are also concerned that local governments would hold the voting dates on off year election dates when turn out is low to increase the likelihood of passage.