



## Road Funding Finally Approved

By now you have already heard that we have a new road funding package that has been signed by the Governor. While there are plenty of editorial comments that have been published regarding almost all aspects of the plan, I wanted to just give you the facts as I understand them.

1. Fuel taxes will increase in 2017. The current 15 cents on diesel and 19 cents on gasoline will increase to 26.3 cents on January 1, 2017.
2. Registration fees on vehicles will increase by 20 percent for passenger vehicles and trucks beginning on January 1, 2017
3. General Fund money will come over time. The state will eventually shift \$600 million a year from the General Fund. That starts with \$150 million in fiscal year 2019, \$325 million in 2020 and \$600 million in 2021 and beyond.
4. The Homestead Property Tax Credit will increase in 2018 from a maximum of \$1,200 to \$1,500. The household income cap will increase from \$50,000 to \$60,000. Beginning in 2021 the state will index the credit and cap to inflation.
5. Beginning in 2023 the state will reduce the 4.25% income tax

rate after any year that the general fund revenue growth exceeds inflation times 1.425. That means that the general fund will need to grow by more than just the rate of inflation.

6. Full funding for the road package will begin in 2021 after all the phase in steps are completed.
7. There is a "lockbox" of the first \$100 million in new fuel taxes that will be placed in a new "roads innovation fund". This money will not be available until the Legislature thinks the state is ready to build longer-lasting roads.

### **Board of Directors Meeting**

**Wednesday Nov. 18th**

**11:00 AM**

**L. William Seidman Center  
DeVos Board Room**

### **Board Vacancies**

**We have 2 vacancies for at-large members of our Board of Directors. If you know someone that might be interested please have them contact us.**

### **You are Invited to GVMC Luncheon**

**Valerie Brader, Executive Director**

**Michigan Agency for Energy**

**November 18, 2015**

**12:00-1:30 pm**

**GVSU**

**L. William Seidman Center**

**50 Front Ave SW, Grand Rapids, MI 49504**

**RSVP Required**

**Cost is \$25**

**Register at <http://gvmc.org/payment.shtml>**

