

HOUSE PLAN TO BUILD BETTER MICHIGAN ROADS

A strong foundation to build consensus & improve roads



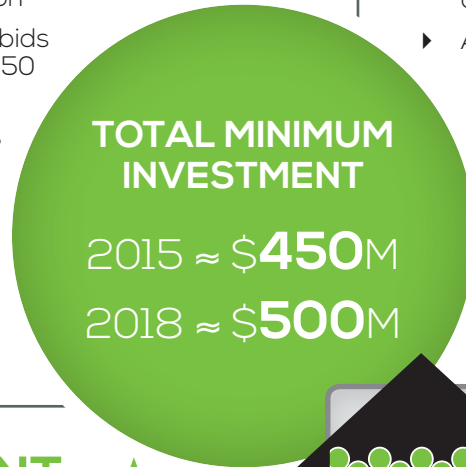
INCREASED EFFICIENCY

- ▶ Increase Competitive Bidding for local road agencies
- ▶ Require MDOT to competitively bid out administration of an entire service region
- ▶ Allow townships to require competitive bids for projects if the township contributes 50 percent or more to the cost
- ▶ Improve efficiency in MDOT procedures
- ▶ Include value engineering



IMPROVED QUALITY

- ▶ Require all projects over \$5 million to have a minimum 5-year warranty
- ▶ Require all road work to have warranties of an appropriate length
- ▶ Authorize MDOT to enter into P3 agreements
- ▶ Begin use of innovative contracting methods like Performance Based Maintenance Contracting for state and local roads



INVEST CURRENT RESOURCES

	2015 Value
▶ Unleaded – Repeal 19 cents per gallon, replace with 6% wholesale tax (revenue neutral at \$3.55 per gallon)	\$0
▶ Dedicate late payment fees to road funding	\$10M
▶ Permanently dedicate all available revenue from existing 6% sales tax collected on gas and diesel to roads (Preserve all money currently dedicated to schools and locals)	\$130M
▶ Permanently dedicate 1% of existing 6% Use Tax revenue to roads	\$239M



IMPROVED FAIRNESS

	2015 Value
▶ Diesel – Repeal 15 cents per gallon, replace with 6% wholesale tax (revenue shown at \$4.00 per gallon)	\$47M
▶ Simplify Vehicle Registration Code by ending special deals	\$5M
▶ Apply newly purchased vehicle value immediately upon transferring plate	\$20M
▶ Increase overweight/oversize permit fees to make them fairer for all road users	\$4.5M