



MEMORANDUM

TO: Members of the House Transportation & Infrastructure Committee

FROM: Mike Alaimo & Randy Gross, Michigan Chamber of Commerce

SUBJECT: Michigan Chamber Policy Memo Regarding House Road Funding Package

DATE: March 18, 2025

Members of the House Transportation Committee,

We appreciate the effort House lawmakers have made to move the chronic under-investment in our roads and infrastructure to a priority issue in this legislative year. House Republicans have been deliberate in bringing forth a detailed plan to generate additional revenue to fund our roads.

Safe, good-quality roads and infrastructure are critical to creating vibrant communities, a competitive workforce and attracting investment from new and existing businesses to support our economy. **We believe it is critical to target and re-prioritize existing revenues in our current budget to better fund our roads and appreciate the hard work that has gone into this package in order to do so.** We have long advocated for the streamlining of regulation for the siting and permitting of aggregate mines so that overall construction costs and taxpayer dollars are used in the most efficient way possible. As you debate this issue, if you conclude that new revenue is necessary, we believe broad-based user fees are by far the most effective way to generate these additional dollars.

One specific area of concern with the roads bill package as introduced is HB 4186. We are opposed to this bill, which raises the Michigan Business Tax (MBT) over 500% to effectively force Michigan businesses to forfeit negotiated Michigan Economic Growth Authority (MEGA) contracts with the state. As a policy, the MI Chamber is concerned with this approach as several of our members made significant investments in Michigan through expansion, or relocation, premised upon negotiated incentives and contracts entered with the state. A predictable and stable tax climate is key to economic growth and business attraction. The legislature has the prerogative to change tax rates, but we would argue that any changes in tax policies should be prospective in nature to provide the stability necessary for current businesses to be confident in the investments they make in Michigan and new ones can be attracted to our state.

Again, we want to underscore our support for taking meaningful strides towards moving this policy discussion forward. The Michigan Chamber continues to be heavily engaged in how we

can create durable and stable funding solutions to fix our crumbling roads. As negotiations move forward, let the Chamber be a resource to understand policy proposals and how they may impact the business community. Proposals that disproportionately impact certain industry sectors, businesses and jobs fundamentally erode the positive benefits of fixing the problem. Done right, Michigan can be a leader in funding our infrastructure as a way to bolster business investment and growth. We encourage you to continue moving this issue through the legislative process and reach out with any ideas or questions going forward.

Thank you for your consideration,

Mike Alaimo, Senior Director of Legislative and External Affairs

Randy Gross, Senior Director of Legislative Affairs and Associate General Counsel