

# Legislative Analysis



## **FEASABILITY STUDY AND IMPLEMENTATION PLAN FOR TOLLING HIGHWAYS IN MICHIGAN**

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

Analysis available at  
<http://www.legislature.mi.gov>

**Senate Bill 517 as enacted**  
**Public Act 140 of 2020**  
**Sponsor: Sen. John Bizon, M.D.**  
**1st House Committee: Transportation**  
**2nd House Committee: Ways and Means**  
**Senate Committee: Transportation and Infrastructure**  
**Complete to 8-8-20**

### **SUMMARY:**

Senate Bill 517 amends 1951 PA 51 to require the Michigan Department of Transportation (MDOT) to engage an outside consulting firm to conduct a feasibility study and strategic implementation plan on tolling highways of this state.

The study must include revenue projections based on an analysis of optimal tolling rates, vehicle counts and types by state of registration, and traffic diversion, and must consider all of the following:

- The economic impact and feasibility of tolling particular highways.
- The ability to provide discounts or credits or otherwise lessen the impact of tolling on local, commuter, and in-state drivers.
- Information on the number and impact of out-of-state drivers expected to use Michigan highways.
- The rationale for the federal authorization of any tolling plan that may be submitted to the U.S. Department of Transportation.
- The optimal levels at which tolls may reasonably be expected to be set for passenger vehicles and other vehicles.
- Appropriate tolling rules regarding population center local traffic.
- The ability to enter into monetization agreements or long-term contracts for initial construction, long-term maintenance, installation, and operation of tolling facilities.
- Estimates of which highway facilities would be conducive to tolling operations.
- Ways to maximize the use of Michigan workers and Michigan-made products.

By July 8, 2022, MDOT must deliver a written report on the feasibility study and strategic implementation plan to the governor, the majority and minority leaders of the Senate, the speaker and minority leader of the House of Representatives, the Senate and House appropriations subcommittees on transportation, and the chairs of the Senate and House standing committees on transportation.

The bill expresses an intent that Michigan become qualified to apply to the Federal Highway Administration (FHWA) under the Interstate System Rehabilitation and Reconstruction Pilot Program<sup>1</sup> or any successor federal program.

The bill took effect July 8, 2020.

MCL 247.661r

## **BRIEF DISCUSSION:**

The bill does not define the word “tolling.” An FHWA website defines “tolling” as “the imposition of per-use fees on motorists to utilize a highway. Historically, these fees have been fixed, distance-based tolls that vary by vehicle type, but not by time of day. Their primary purpose has been to generate revenue.”

Michigan does not currently have tolled highways. There are three tolled public bridges in Michigan: the Mackinac Bridge, the Blue Water Bridge, and the International Bridge. The authority to establish tolls for these bridges was established in specific authorizing legislation. MDOT does not currently have general authority to establish toll roads or bridges.

The study and report required by the bill could help identify alternative methods of raising transportation revenue through tolling as compared to the primary sources of dedicated transportation revenue currently used in Michigan: motor fuel taxes and vehicle registration taxes.

## **FISCAL IMPACT:**

Senate Bill 517 would require MDOT to engage an outside consulting firm to conduct a feasibility study and strategic implementation plan on tolling highways of this state. The bill would create new responsibilities for the department. The procurement of the consulting firm, any MDOT staff support provided to the consultant, and review and distribution of the report would result in additional direct cost to the department. The amount of additional cost cannot be readily determined at this time.

There would be no direct cost to local units of government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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<sup>1</sup> See [https://www.fhwa.dot.gov/ipd/pdfs/tolling\\_and\\_pricing/interstate\\_rr\\_fact\\_sheet.pdf](https://www.fhwa.dot.gov/ipd/pdfs/tolling_and_pricing/interstate_rr_fact_sheet.pdf)  
Also [https://www.fhwa.dot.gov/ipd/tolling\\_and\\_pricing/tolling\\_pricing/interstate\\_rr.aspx](https://www.fhwa.dot.gov/ipd/tolling_and_pricing/tolling_pricing/interstate_rr.aspx)