

Important Facts to Know...

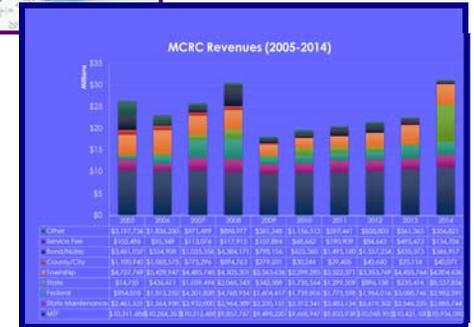
- All County Road Commission's in Michigan receive the majority of their funding from two primary sources: state collected road funds and federal road funds.
- Road Commission's have NO taxing authority and do not receive any revenues directly from property taxes.
- While Road Commissions cannot raise additional dollars themselves, many receive contributions from their county government, or townships in the county.
- Some communities contribute funds on a project basis, some projects require a match from the community and some allocate a fixed amount to the Road Commission annually.
- Some counties have found the need to establish special road millages in order to keep up with road needs.



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Understanding Property Taxes vs. Road Funding



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~Road Commission Leadership~

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Greg W. Stewart, Member

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Do Property Taxes Pay for Michigan Roads?

“I pay my property taxes, why don't I have good roads?”



Often the Monroe County Road Commission receives comments from county residents regarding the amount of property taxes they pay in connection with the condition of the road in front of their home. This informational brochure is designed to help the reader understand that concept.

Q - Property taxes and roads – what do they have in common?

The answer is **very little**.

It is a misconception by some Michigan residents that money collected for property taxes is used to improve the roads in Michigan. Property tax dollars are not directly distributed to the State Transportation Funds or to County Road Commissions.

Public Act 51 is the legislation written to govern road maintenance and construction, and it requires the state gas tax and license plate funds to be used for road improvement.



Michigan charges a 19-cents-per-gallon tax on gasoline and a 15-cents-per-gallon tax on diesel fuel.

Motorists also pay license and registration fees to the state. Revenues from these sources, as well as the tax on liquid petroleum fuel, the diesel carrier tax, the diesel dealer license fees and other fees make up the Michigan Transportation Fund (MTF).



*Q - If property taxes do not go directly to road commissions, do they go **indirectly** to road commissions?*

A small portion of your property tax is funneled to township governments. When the road commission charges townships for services, the townships pay the bill out of their General Fund if they do not have a road millage approved by their voters.



To that extent the road commission would be receiving some money that was originally collected through property taxes. It is very important that townships join in to help provide added dollars to improve the roads in local communities. The MCRC does not receive money for construction of local roads.

Q. What is my property tax used for?

Taxes paid based on the assessed value of a property are used primarily for school funding. A portion also is used to fund local and county government. Also, when millages are approved by the voters (fire, police, library, roads, etc.) that additional millage is applied on the property tax.



Additionally, county road commissions do not service roads in cities and villages. Those units of governments receive their own money from the Act 51 revenue for improving the roads within their boundaries. Road Commissions only receive money to maintain and improve **county** roads. So, if you live within a city or village, some of the property tax money you pay may go to maintain the city or village roads, but none of the money goes to pay for **county** roads that you may drive on to reach your city or village.



The moral of the story: Buy your gas and license plates in Michigan and you will be contributing to better roads!