



# **Legislative Update**

## **2024 MAMA Municipal Law Program & Annual Meeting**

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**We love where you live.**



# Political Dynamics

- Current State of Play
- November Election
  - No Statewide Ballot Proposals
- Lame Duck??
- Strategic Outreach and Attraction Reserve (SOAR) Fund
  - \$600M Economic Development Fund
    - \$250M Make it in Michigan Fund
    - \$200M for Transit
    - \$100M for Housing
    - \$50M for Placemaking



# State Budget

## Economic Development and Housing

- \$50 million in continued funding for the Revitalization and Placemaking program
- \$45.5 million for Talent and Growth
- \$2.5 million for the Economic and Worker Transition Office
- \$100 million to construct more affordable housing
- \$3.3 million for the Housing Readiness Incentive Grant Program
- \$2.5 million for the Office of Rural Prosperity



# State Budget

## Infrastructure

- \$509.4 million for water infrastructure
- \$74.5 million in one-time funding for local roads and bridges
- \$247.6 million of new funding for state and local roads, highways, and bridges
- \$75 million of additional funding to support local transit
- \$24 million for new technology and mobility projects

## Ground Emergency Transportation (GEMT) Program

- \$500,000
- House Bill 5695

# State Budget: Revenue Sharing

- Total investment in revenue sharing for Fiscal Year 2025 is nearly \$700 million, up from \$560 million in Fiscal Year 2024.
- This results in approximately a \$140 million increase in direct resources to local government, meaning a 25% increase in overall funding.
- Revenue sharing now consists of three buckets:
  1. *On-Going Statutory Revenue Sharing*: Distributed in the same proportion as FY 23/24.
    - CVTs: \$299,126,400
    - Counties: \$261,069,700
      - Total: \$560,196,100

# State Budget: Revenue Sharing

2. *New On-Going Statutory Revenue Sharing for FY 25:* Distributed to all cities, villages, and townships based on population, yield equalization, and inverse taxable value per capita. Distributed to counties based on taxable value per capita.
  - CVTs: \$34,420,900
  - Counties: \$30,041,700
    - Total: \$64,462,600
- *Combined On-Going Statutory Revenue Sharing for FY 25:*
  - Total: \$624,658,700

# State Budget: Revenue Sharing

## *3. Public Safety and Violence Prevention Trust Fund*

- \$75M Distributed to cities, villages, townships, and counties based on violent crime statistics
- Requires the passage of HB 4605 and 4606 (budget implementation bills)

Combined, statutory revenue sharing (\$625M) and the Public Safety Trust Fund (\$75M), approximately \$700 million in state resources will be delivered to local governments across Michigan.

# Revenue Sharing Trust Fund

The revenue sharing trust fund remains the League's #1 priority

- Senate Bills 182 (Webber) and 183 (Moss), and House Bills 4274 (O'Neal) and 4275 (Tisdell).
  - All state shared revenue for local units of government would be secured utilizing a trust fund model.
  - Resources are calculated based on a percentage of sales tax collected allowing resources to rise and fall with economic change.
  - This is achieved by dedicating 8.7% of the 4% sales tax to revenue sharing for local units of governments.
  - The allocation is equal to the amount appropriated in the upcoming FY 25 budget.



# Revenue Sharing Trust Fund

*Revenue Sharing Trust Fund: 8.7% of the 4% sales tax (\$624,658,700)*

- The first \$560,196,100 shall be distributed in an amount equal to 100% of the total eligible payment made to each city, village, township, and county in FY 23/24.
- Any remaining balance as follows:
  - 53.4% distributed to all cities, villages, and townships based on population, yield equalization, and inverse taxable value per capita.
  - 46.6% distributed to counties based on taxable value per capita.

This legislation has received strong bipartisan support in the House, passing by a vote of 106-4.

# Elections

## Term of Office

- HB 5699-5702

## Michigan Voting Rights Act

- SB 401-404

## Prohibit Guns in Polling Places

- HB 4127-4128

## Recount Changes

- SB 603-604



# Infrastructure/Environmental

## Stormwater Utilities

- SB 660

## Statewide Water Affordability Program

- SB 549-554 and HB 5088-5093

## Possible Road Funding Discussion?

- New Revenue
- Funding for Neighborhood Roads

## Tipping Fees

- Left out of the budget but will they come back in lame duck?



# Tax Policy

## Dark Stores

- HB 5865-5868

## Disabled Veteran Property Tax Reimbursement

- SB 95-96 and HB 4894-4895



# Economic Development and Housing

## Short-Term Rentals: HB 5438

- Proactive to protect local decision making
- Maintains authority to regulate STRs
- Creates a statewide STR database
- Creates a STR excise tax –portion to locals
- Protects neighborhoods & allows communities to balance housing needs

## Zoning Reform

- Multi-Bill package meant to increase the development and supply of housing
- Introduction anticipated this fall
- Representative Grant is the lead sponsor



# Labor Issues

## Minimum Staffing: HB 4688

- Employees subject to PA 312
- Financial Impact

## Repeal of PA 152 ??

- Publicly Funded Health Insurance Contribution Act
- 80/20, Hard Cap, Opt-Out
- Financial Impact





# Local Authority

## Aggregate Mining Preemption (HBs 4526-4528)

- Preempts all existing local authority on siting and operation of aggregate mining
- Grants all authority to state department
- Vacates previous judicial and administration opinions related to all mining permit applications

## Franchise Fees (HB 4965)

- Changes definition of video services to exclude streaming

# MI Funding Hub



**Helping Michigan  
municipalities navigate new  
state and federal funding  
opportunities**



# What is MI Funding Hub?

- Help Desk: Technical and Strategic Assistance
- Online Resource Portal
  - State/Federal Grant Database
  - Resource Library, FAQs
  - News and Events
- Webinars and Newsletters



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**Thank You!**