

Legislative Update 2024 MAMA Municipal Law Program & Annual Meeting

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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.

o CVTs: \$299,126,400

o 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.

o CVTs: \$34,420,900

o Counties: \$30,041,700

■ Total: \$64,462,600

Combined On-Going Statutory Revenue Sharing for FY 25:

o 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 (Tisdel).
 - 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

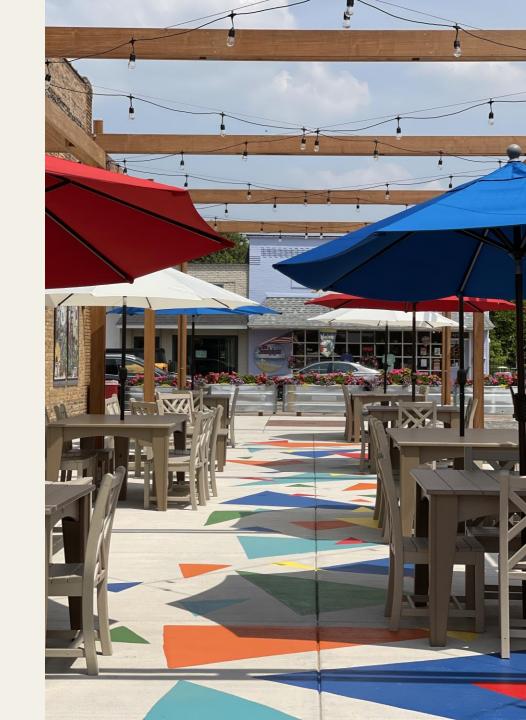
• SB 401-404

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?



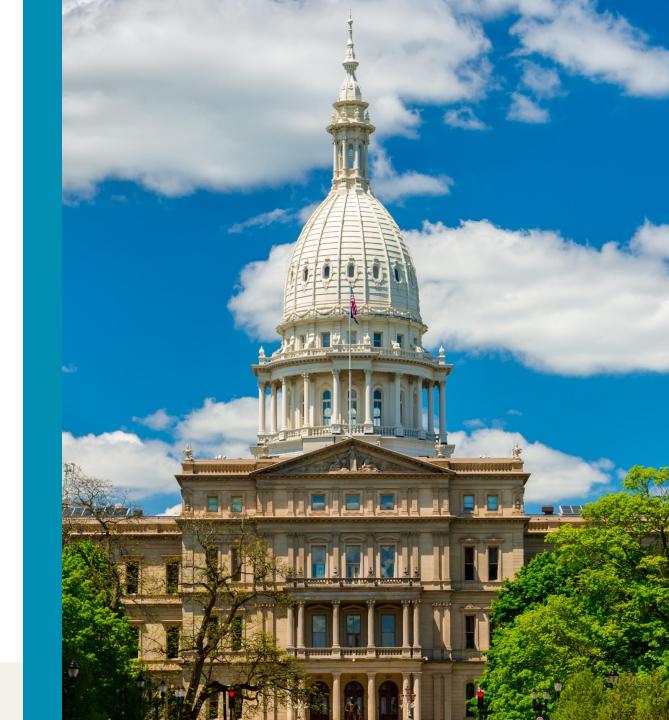
Tax Policy

Dark Stores

• HB 5865-5868

Disabled Veteran Property Tax Reimbursement

• SB 95-96 and HB 4894-4895



Economic Developmentand 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



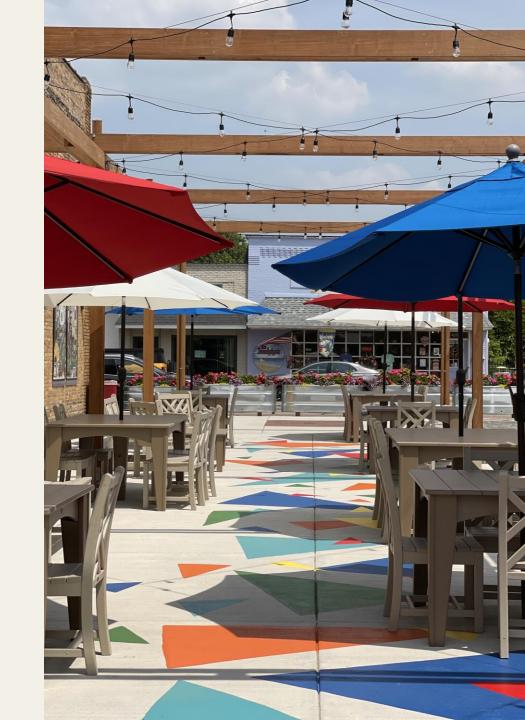
Labor Issues

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







Thank You!