



MICHIGAN MUNICIPAL LEAGUE

CONVENTION 2024

WELCOME!

Legislative Update

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Political Dynamics

- Back to a Dem Majority in the House
- Redistricting
- November Election
 - **No Statewide Ballot Proposals**
- **Lame Duck???**

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 4606 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.



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



Environmental

Statewide Sanitary Code (Septic Regulations)

- HB 4479-4480

Environmental Cleanup (Polluter Pay)

- SBs 605-611 and HB 5242-5247

Tipping Fees

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



Infrastructure

Stormwater Utilities

- SB 660

Statewide Water Affordability Program

- SB 549-554 and HB 5088-5093

Possible Road Funding Discussion?

- New Revenue
- Transition to Road Usage Charge (RUC)



Economic Development and Housing

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

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



Economic Development and Housing

Zoning Reform

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

Mobile Homes: SB 486, 487, & 489

- Require state database
- Allow local ordinances to require a surety bond
- Require consultation with locals before rules changes



Tax Policy

Property Tax Exemption for EV Charging Stations

- HB 4708
- Does not hold locals harmless

Dark Stores

- HB 5865-5868

Disabled Veteran Property Tax Reimbursement

- SB 995-996 and HB 4894-4895



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



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

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
- J40 Communities Training

Attend Our Breakout Session For More Information

- Fund a Better Way with MI Funding Hub
- Gerald R. Ford Conference Room
- 9-10am



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