



**MICHIGAN
ASSOCIATION
OF MAYORS**

Legislative Update

Jennifer Rigterink, Assistant Director of State and Federal Affairs, MML
Herasanna Richards, Legislative Associate, State and Federal Affairs, MML



State Budget Highlights

- Largest Budget in History (\$76B)
- Record School Aid Budget (\$19.6B)
- Significant Investment in Revenue Sharing (\$16M)
- Addresses Unfunded Pension Liability (\$750M)
- Billions in Funding Remains
 - \$3.8B General Fund, \$3.2B School Aid, \$1B ARP

Revenue Sharing

- **Statutory**

- 5% ongoing and 1% one-time revenue sharing increase
- One of the largest increases in the last two decades - \$16M

- **Constitutional**

- \$1.036B Projected for FY 22/23
 - \$124M Projected Increase over FY21/22

Municipal Pension Principal Payment Grant Program

- \$750 Million to Address Pension Liability
 - Targeted to communities with a funded ration of less than 60%
 - Approximately 125 communities

Municipal Pension Principal Payment Grant Program

- **Grant Conditions**
 - Make in full, all actuarially determined contributions
 - Shall not provide contractual benefit enhancements unless the contractual benefit enhancement is 100% prefunded
 - *This does not include wage and salary increases*
 - The assumed rate of return must be no high than 7%
 - Must adopt the most recent mortality tables
 - Shall be subject to corrective action plan monitoring for 5 years
 - Shall comply with the uniform actuarial assumptions of retirement systems
 - *Exceptions (Rate of Return, Amortization Schedule)*

State Budget Highlights

- \$48M to provide lead line replacement grants for technical, managerial, and financial assistance to communities
- \$12M for rail grade separation
- \$110M for workforce development
 - \$55M apiece for Michigan Reconnect and Going Pro programs
- \$3M to fund the Office of Rural Development to help rural communities meet workforce, education, infrastructure, and connectivity needs

State Budget Highlights

- \$94M Local Federal Aid for Road and Bridge Construction
- \$87M for Local Roads
 - \$56 Million for Counties
 - \$31 Million for Cities and Villages
- \$25M Technical Assistance, Planning, and Infrastructure Investment and Jobs Acts Matching Grants
- \$75M for Blight Elimination Grants

State Budget Highlights

- \$50M for Non-Profit Relief Grants
- \$75M for Michigan Community Development Financial Institution (CDFI) Grants
- \$130M for Public Safety
- \$30M for Environmental Cleanup and Redevelopment — Legacy Cleanups
- \$13M for Arts and Culture Grants

What's Next?

- **Budget Supplemental (Fall)**
 - Housing
 - Workforce Development
 - Economic Development
- **Tax Cuts and Tax Relief Debate**
 - Income Tax Cut, Gas Tax Holiday, Earned Income Tax Credit Expansion, Pension Tax Elimination, Child Tax Credit Expansion, Direct Resources to Working Families (\$500)
- **Oh yeah, and it's an election year!**

Key Legislative Issues

- **Revenue Sharing Trust Fund**
 - HB 6133 (Ellison) Establishes the Trust Fund
 - HB 6134 (Tisdell) Dedicates General Sales Tax Revenue into the Fund
- **Personal Property Tax**
 - Small Taxpayer Exemption Fix
 - SB 1060/1061/1062
- **Disabled Veteran Property Tax Credit**
 - SB 1084 (Bumstead)

Key Legislative Issues

- Preemption

- Short-Term Rentals (HB 4722)
 - HB 5465/5466 alternative proposal
- Gravel Mining (SB 429/430/431)
 - HB 4875 alternative proposal
- Qualified Residential Treatment Programs (HB 5981)

- Solar PILT

- SB 1106 and SB 1107

- Early Warning System

- SB 780 and HB 6296

Key Legislative Issues

- Open Meetings Act (HB 6283)
- Freedom of Information Act (HB 5921-5925)
- Public Notice Reform (HB 6062)
- Marijuana Charter Amendment Petitions (HB 6336-6337)
- Cannabis Safety Act (HB 5300-5302)

Other Issues

- **Boards of Review (PA 141 of 2022)**
- **Home-Based Child Care (PA 106 of 2022)**
- **State Revolving Loan Fund (PA 132/133/134 of 2022)**

Questions