



**MICHIGAN
ASSOCIATION
OF MAYORS**

2026 Summer Workshop

August 5-7, 2026 | Farmington, MI

SFAD Update

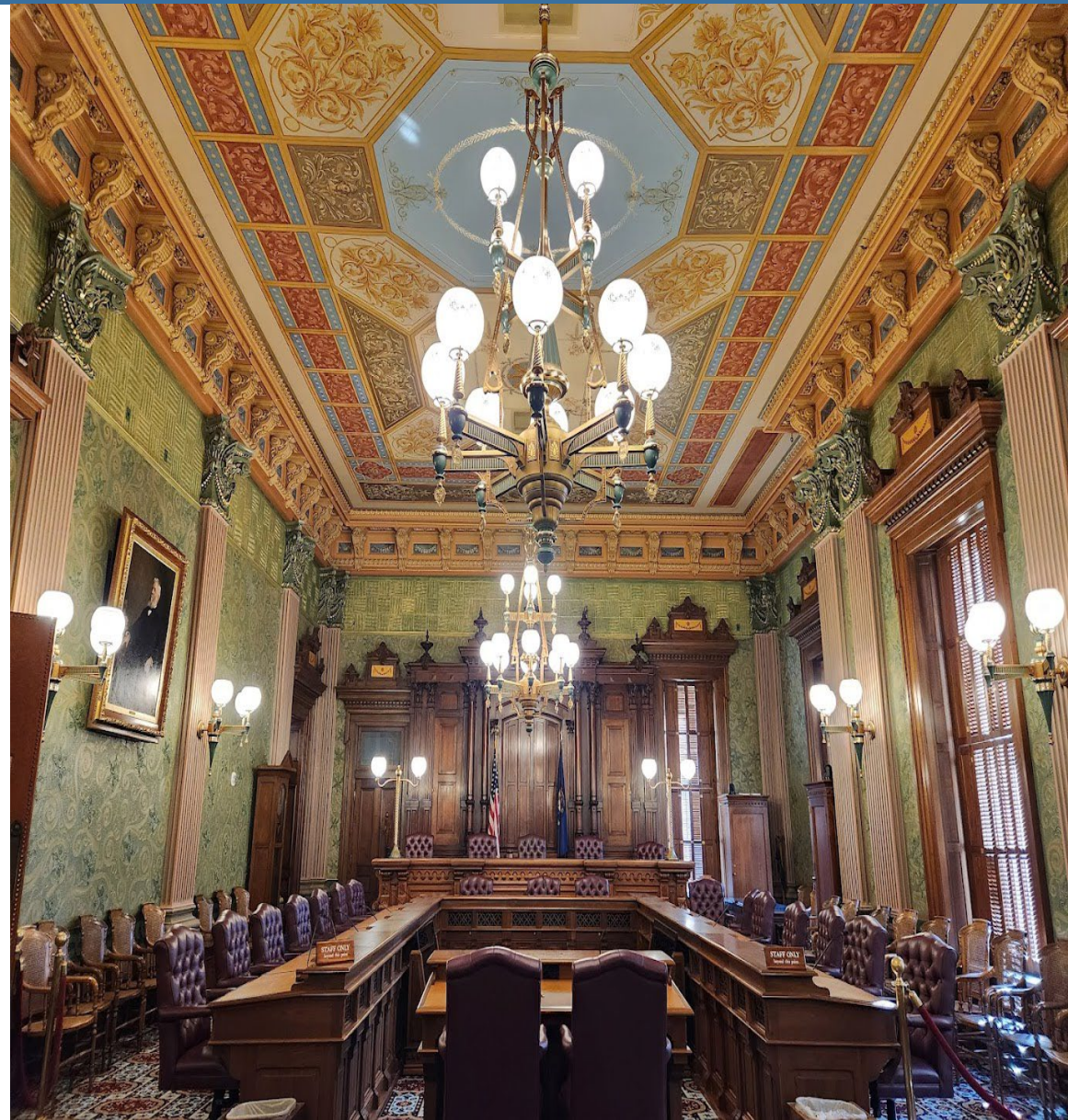


Political Landscape

State Budget

Legislative Issues

Looking Ahead



Political Landscape

- Divided government
- What divided government has meant for legislating
- Budget negotiations and compromises
- Election

State Budget

\$75.2B

final state budget

\$14.1B

general fund

\$19.8B

school aid budget

66

policy bills moved with the deal

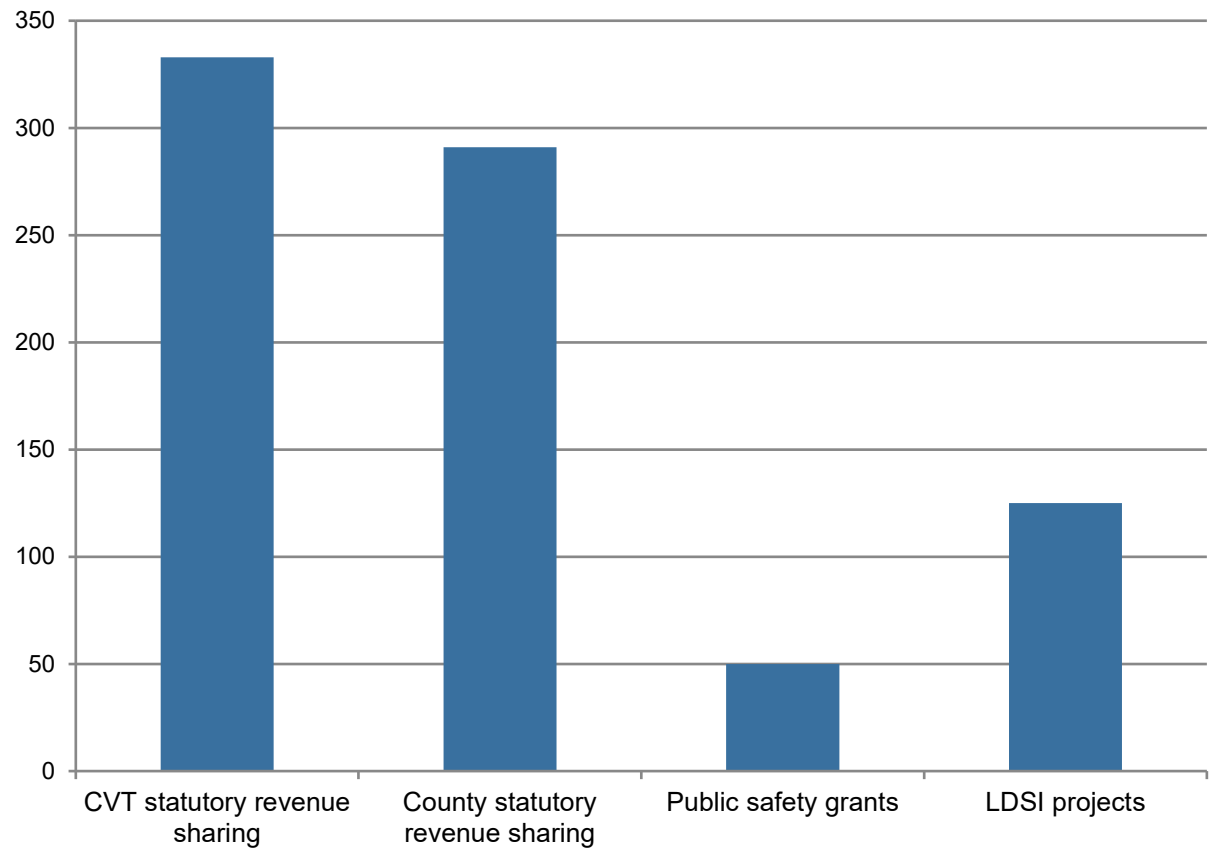
- Budget Process
- Budget Shortfall
- Budget Agreement
- Policy Bills

Final budget was smaller than the prior year.

No tax increases and no draw from the rainy-day fund.

No major property tax reform or zoning preemption tied to the budget.

- Statutory Revenue Sharing
 - CVTs - \$333 M
 - Counties - \$291 M
- Constitutional Revenue Sharing – 2.3% decrease
- Public Safety Revenue Sharing Grants - \$50 M
 - CVTs - \$35.1 M *based on annual violent crime rates*
 - Counties - \$11.7 M *based on inverse taxable values*
- Legislatively Directed Spending Items (LDSIs) - \$125.3 M *for 135 projects*



Statutory revenue sharing was held flat despite a \$1B+ shortfall.

Constitutional revenue sharing is still feeling last year’s transportation funding changes and is down about 2%.

\$125M in legislatively directed spending includes projects that may directly benefit cities and villages.

- Affordable Housing
 - Low-income tax credit: SB 966, HBs 5806-5807
 - Single staircase – HBs 5570-5571
 - Large investor home purchases – HB 6074
- PA 255 and PA 210 Extensions – SBs 721-722
- Transformational Brownfields – SB 723

- Paid Military Leave – HBs 5232-5233
- Property Tax Assistance Program – SB 423
- Golf Carts on Streets – HB 4644

- Revenue Sharing Trust Fund - SBs 559, 561, 912
- Housing Readiness Program - HBs 5529-5532, 5581-5585
- MI Home Program - HBs 5660-5661
- Property Tax Reform – HBs 5872-5880, HJR T

Legislative Issues

- Nine bills from 2023-2024 session
 - Subject to litigation and 18-month delay
 - Vetoed
 - Public employer contributions to public employees' health care

- Term of Office
 - First day of the month following an election
 - Public Acts 17 – 20 of 2026



- Postmark on Property Tax Bills—HB 4799
- Data Centers – Senate Bills 1046-1050
 - Moratoriums
 - NDAs
 - Tax exemption
 - Zoning
 - Water usage
 - Community benefit agreements
 - Utility requirements
 - Labor agreements

- Publicly Funded Health Insurance Contribution Act—SB 1136
 - 80/20
 - Hard Cap
 - Municipal Impact
- Michigan Voting Rights Act—SBs 901-904
 - Passed Senate
 - Prohibit election policies that deny or dilute voting rights.
 - Expand language assistance for voters.
 - Strengthen voting access for people with disabilities.
 - Create a statewide election data and research institute.
 - Allow courts to order remedies when voting-rights violations occur.



Looking Ahead

- November Election
- Lame Duck
- Michigan Legislature—what will it look like?

Questions?

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