

Feb. 21, 2025

Governor signs bills to amend earned sick leave, minimum wage laws

With less than an hour before two laws were scheduled to take effect at midnight on Feb. 21, changes were approved by state Legislature to amend both the Earned Sick Time Act (ESTA) and the minimum wage increase law. The bills were signed by the governor Friday afternoon. MTA is continuing to work with our legal counsel and state agencies to get questions answered on how the ESTA impacts township-specific roles. We will provide updated guidance and resources as it becomes available. Please consult your local legal counsel on implementation of the act.

ESTA changes

[House Bill 4002](#), now Public Act 1 of 2025, amended the ESTA to provide some additional flexibility and clarification on the new law, which requires employers—including all townships—to provide paid sick leave for employees. The ESTA applies to full-time, part-time, temporary and seasonal workers. The ESTA requires paid sick leave to be accrued at a rate of one hour for every 30 hours worked, subject to limitations under the recently passed bill. Small employers—those with 10 or fewer employees—must provide employees with 40 hours of paid sick time per year. Small employers have until Oct. 1, 2025, to begin providing these hours. Larger employers—those with more than 10 employees—must provide 72 hours of paid sick time per year. The ESTA is effective for larger employees today (Feb. 21).

Employees exempted from the law include those who work in accordance with an employer policy that allows the individual to schedule his or her own working hours **and** that prohibits the employer from taking adverse personnel action against the individual if the individual does not schedule a minimum number of working hours. Also exempt are those employed in accordance with the Youth Employment Standards Act, as well as unpaid trainees or unpaid interns. According to [ESTA Frequently Asked Questions](#) from the Michigan Department of Labor and Economic Opportunity (LEO), elected and appointed officials are not subject to the act. MTA Legal Counsel believes that deputies would also fall under “appointed officials,” and therefore would not be subject to the ESTA requirements, unless they are treated as a township employee for other purposes. MTA is working to verify LEO’s interpretation of “public office holders.” Per our Legal Counsel, on-call firefighters do not fall under any kind of exemption and are subject to ESTA. Thus, it is recommended that townships track these individuals’ hours as they would any other any other employee.

HB 4002 also clarifies issues including frontloading of paid sick hours, offering a combined leave bank of paid time off, employee notice, and more. [Read additional details here.](#)

Minimum wage schedule adjusted

Under [Senate Bill 8](#), now PA 2 of 2025, the minimum wage rate

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increased to \$12.48 effective Feb. 21, it will increase to \$13.73 on Jan. 1, 2026; and \$15 on Jan. 1, 2027. Thereafter, the minimum wage will be adjusted for inflation each year, effective Jan. 1, unless the state's unemployment rate is 8.5% or higher for the preceding year.

Still time to register for MTA's 2025 Capital Conference—but space is limited!

Register today for [MTA's 2025 Capital Conference](#) on March 4 as there is limited time and limited space available. You will hear from our experts about the latest changes to the Earned Sick Time Act and minimum wage changes (*see related article above*), status of PA 233 (siting of large-scale renewable energy facilities) and the pending litigation, impacts of tax elimination proposals, upcoming election changes and cybersecurity measures for your township. MTA will also provide insights into action late in the 2024 session, what is currently happening and what is ahead this year under the divided Legislature impacting townships in 2025. [Register today](#) to get the latest on what you need to know for your community!

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Municipal adult-use marijuana payment allocations released

Eighty townships are among the municipalities with adult-use marijuana retail stores or microbusinesses located in their jurisdiction (licensed as of Sept.



30, 2024) that will receive [FY 2024 Adult-Use Marijuana Distributions](#) from the Michigan Department of Treasury. Townships will receive more than \$11 million from the allocations, which include taxes and fees collected in the state's 2024 fiscal year—with 15% distributed to municipalities and tribes in which the store or microbusinesses are located. Nearly \$100 million will be distributed to townships, cities, villages and tribes; the distribution rate is slightly over \$58,200 per licensed marijuana retail store or microbusiness. Contact TreasRevenueSharing@michigan.gov or (517) 335-7484 with questions.

Senate committee approves indigent defense changes

New requirements related to indigent defense for children accused of crimes were approved this week by the Senate Committee on Civil Rights, Judiciary, and Public Safety this week. [Senate Bill 81](#), sponsored by Sen. Sue Shink (D-Northfield Twp.),



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would clarify children accused of crimes qualify for indigent defense services and amend the formula that determines the share of costs covered by the local funding agency. Under the bill, the local share formula calculation would now have to include the average annual expenditure for indigent youth defense services in the three fiscal years preceding the bill's effective date. Previously, only the average expenditure on adult indigent defense services was used to calculate the local share. Additionally, in the years when the Consumer Price Index rises, the local share would have to be adjusted and compounded annually by that number or by 3%, whichever is less. Nineteen townships assist in operating or funding local district courts. The bill awaits consideration before the full Senate.

Local history grant program applications opening soon

Applications will be open from March 1 to April 15 for the first round of funding under the [America250MI](#) History Grant Program, part of Michigan's efforts to commemorate the 250th anniversary of the Declaration of Independence. Local governments are eligible to receive funds for projects that interpret, preserve or explore any era of Michigan's history. Awards are available in three tiers: Tier 1 is \$2,500-5,000 with no match requirement, Tier 2 is \$5,001-25,000 with a 15% match requirement, and Tier 3 is \$25,001-50,000 with a 30% match requirement. More information about eligible projects, the America250MI Guiding Themes, and other semi-quincentennial celebrations is available through the [grant portal](#).

Reminders for clerks

Reimbursement updates. The state Bureau of Elections (BOE) continues to process early voting grant and wage requests submitted within the deadline, and will then open a make-up period for any jurisdictions that missed the deadline. Clerks should continue to provide the necessary documents to close out these reimbursements. BOE will also open the submission period to request reimbursement for eligible federal election security costs incurred from Oct. 1, 2024, to Feb. 28, 2025. The estimated make-up period for August and November wage requests is mid-March.

Combining precincts for May election. Combined precincts for the May election must be entered in the Qualified Voter File (with updated polling location, if necessary) before April 7 to ensure information in the Election Day e-pollbook and online at [Michigan.gov/vote](#) is accurate.

State-funded postage permit. The BOE has completed its review of the existing state established Business Reply postage permits and submitted the changes needed to USPS. As the changes are complete, BOE will update the [Prepaid Permit Information](#) within its eLearning and communicate with the existing vendor contacts on file regarding the updated permit information. Changes are expected to be completed by mid-March.

Updated voter dashboard. The latest release of the [Michigan Voting Dashboard](#) now includes Election Day voter totals.

August/November election calendar. The [August-November 2025 Election Date Calendar](#) is now available.

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MTA webinar will help you master payroll essentials

Managing township payroll requires accuracy, compliance and organization. Whether you're new to the process or just need a refresher, our March 12 webinar, [Payroll Precision: Methods & Records](#), will provide expert guidance on calculating pay, keeping proper records and understanding employee classifications. Spend your lunch hour with MTA Consultant Cindy Dodge and you'll walk away with insights on forms, retention periods and much more. [Register now](#) to attend live at noon on March 12, and you'll also receive the recorded session automatically!



Update to NATaT Special Report

The National Association of Towns and Townships (NATaT) continues to closely track the executive actions on the federal level and has updated its [Special Report on the Executive Actions of the Second Trump Administration](#) to include the recent executive orders and proclamations signed this week. NATaT is also carefully monitoring the impact that these executive actions, as well as related litigation, are having on federal grant and loan programs in its [NATaT Special Report – Impact of Executive Action on Federal Funding](#). While the legal challenges from various courts have resulted in minimal change to the pause on federal funding, some federal agencies are modifying and "unpausing" programs. This includes updating requirements for pending solicitations, extending application due dates, and releasing funds to grant recipients. Stay tuned for continued updates.

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