Michigan Township INSIGHTS

July 10, 2026

Governor vetoes long-litigated nine bills from last session

Nine bills passed in the last legislative session and the subject of litigation and delay for 18 months were presented to the governor Friday following a Michigan Supreme Court order, and were subsequently vetoed. The legislation, passed at the end of 2024 and not presented for signature prior to the end of the 2023-2024 session, included a bill impacting public employer contributions to public employees' health care opposed by MTA. Under the now-vetoed bill, public employers would have been required to pay an increased amount toward their employees' medical benefits, and it would have eliminated the current contribution cap and raised the maximum contribution amounts. Other bills included legislation affecting Detroit area museums, corrections officer pensions and debt collection efforts. The governor vetoed the bills, stating that due to their 2025 effective date, implementing them "retroactively would impose an insurmountable administrative burden on the state and all Michiganders affected."

Legislature finalizes state budget on July 3



After several weeks of negotiations between legislative leaders and a marathon session on July 2 and 3, the Legislature finalized action on the state's FY 2026-2027 budget. As MTA shared on July 3, although the Legislature missed the statutory deadline of July 1, the budget was approved before the Independence Day holiday. The total topline omnibus budget, which did not account for federal dollars, was an estimated $750 million smaller than the current year's budget, dropping the total spending to $75.2 billion and a flat General Fund of $14.1 billion. With an estimated $1.4 billion in federal funding, the budget would be approximately $200 million higher. The budget reflects a relatively flat revenue picture in the state combined with federal reductions to state funding, and does not include any tax increases or funding withdrawals from the state's rainy day fund (Budget Stabilization Fund).

For revenue sharing, the budget includes $333 million for statutory revenue sharing for townships, cities and villages and $291 million for counties. This maintains the current year's appropriation level. For constitutional revenue sharing, which is determined by actual sales tax revenue collections, the projected decrease is 2.3% ($25 million) based on the



UPCOMING MTA TRAINING

July 14-15: Summer Academy, Bay Valley Resort in Bay City:
- Creating a Vision
- Linking with the Community
- Strategic Planning

July 15: *Now You Know* lunchtime webinar Summer Update: Legislative News from the Capitol

Coming to three locations this August, Hot Topics in Planning & Zoning evening workshops:
- **Aug. 18** - Frankenmuth, Bavarian Inn Lodge
- **Aug. 26** - Gaylord, Treetops Resort & Convention Center
- **Aug. 31** - Lawrence, Van Buren ISD



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most recent (May 2026) state revenue estimates and continues to reflect the loss of sales tax revenue due to the 2025 transportation funding proposal.

Public Safety Revenue Sharing (PSRS) grants are included for a second year and will be funded at $50 million, of which $35.1 million is distributed to cities, villages and townships (CVTs) based on their violent crime statistics. In the current year, $50 million was appropriated with an additional one-time funding of $20 million; CVTs received a total of $42.5 million this fiscal year. This budget, which begins on Oct. 1, contains the $50 million—thus, local units will see a slight decrease in the PSRS grants.

Estimates (from the Senate Fiscal Agency) for your township's statutory and constitutional revenue sharing, as well as projected Public Safety Revenue Sharing grant, can be viewed here.

The FY 2026-2027 budget agreement also included 135 legislatively directed spending items (LDSIs) totaling $125.3 million. Of those items, 24 of the LDSIs will benefit townships, worth a total of $26.4 million.

In addition to the budget, the Legislature approved 70 policy bills, 66 of which were part of the budget agreement (those impacting townships are included in the articles below). While approved unanimously earlier this year by the Senate, the Revenue Sharing Trust Fund was unfortunately not part of the policy measures included in the final budget agreement. MTA and other local government organizations plan to continue our work on this issue.

Foreclosure avoidance sunset removed

Legislation to eliminate sunset (expiration) dates for certain programs to assist residents avoid foreclosure due to delinquent property taxes received final approval last Friday by the Legislature. Senate Bill 423, sponsored by Sen. Stephanie Chang (D-Detroit), deletes the sunset dates on these provisions that currently exist. Under the act, on March 1 in each tax year, property delinquent for taxes, interest, penalties and fees for the preceding 12 months or more is forfeited to the county treasurer for the total amount of those unpaid delinquent taxes, interest, penalties and fees. A local government may withhold property from the delinquency process under certain circumstances, including cases of substantial financial hardship. For such cases, a foreclosing government may grant a delinquent property tax payment reduction, create a delinquent property tax installment payment plan or a tax foreclosure avoidance agreement, or enact a combination of these options. For a delinquent property payment reduction, a participating local governmental unit may reduce delinquent taxes to specified percentages, cancel some or all taxes that represented charges for services that became delinquent, and cancel all interest penalties and fees required under the act. The current provision expired July 1, 2025, and SB 423 eliminates the sunset date to allow the statutory provisions to remain in effect. The bill was sent to the governor for signature.

MI Par Plan
MICHIGAN TOWNSHIP PARTCIPATING PLAN
www.theparplan.com/

MERS
Municipal Employees' Retirement System
www.mersofmich.com

* Adna Technologies

* Bauckham, Thall, Seeber Kaufman& Koches PC

* Consumers Energy

* Fahey Schultz Burzych Rhodes PLC

* Foster Swift Collins & Smith, PC

* Hartleb Agency

* ITC Holdings Corp.

* Rosati, Schultz, Joppich & Amtsbuechler, P.C.

* Mika Meyers, PLC

MTA QUICK LINKS
Answer Center
Training
Advocacy
Classifieds
Community Connection
Webcasts
Store
Township Governance Academy
Allied Service Providers
NATaT

Paid military leave requirement heads to governor

Townships will soon be required to provide at least 26 days of paid military leave for full-time firefighters and law enforcement officers under legislation that received final passage last Friday. House Bill 5233, sponsored by Rep. Ron Robinson (R-Utica) and opposed by MTA, establishes a state requirement without funding that law enforcement agencies and organized fire departments provide a minimum of 26 days of paid military leave at the beginning of each year for employees who are enlisted in the Army or Air National Guard or in the reserves (Army, Navy, Marine Corps, Air Force or Coast Guard). The state-required military leave time would not roll over at the end of a calendar year and would be used for military training or performance of military duty as well as a preinduction physical for those seeking to enlist. The employee seeking use of the paid military leave will be paid at their regular rate of pay and, if covered by a collective bargaining agreement, provided all contractually required benefits and accruals. MTA was able to obtain two clarifying amendments to HB 5233—clarification that it is applicable to full-time employees only and that there is no payout of the military leave upon separation of employment. The bill is pending review and signature by the governor.



Commercial Rehabilitation and Redevelopment sunsets extended

Bills allowing an extension of commercial facilities and rehabilitation exemptions were sent to the governor last week. The Commercial Redevelopment and Commercial Rehabilitation Acts have been utilized by local governments to address blighted properties; unfortunately, they were not renewed ahead of their sunset date of Dec. 31, 2025. Senate Bills 721 and 722, sponsored by Sen. Jeremy Moss (D-Bloomfield Twp.) and supported by MTA, restore the acts by moving the sunset to Dec. 31, 2035. The bills additionally extend the maximum length of time for a commercial rehabilitation certificate to align the program with similar tools like the Obsolete Property Act. Both bills are currently awaiting the governor's signature.

New low-income housing tax credit sent to governor

A three-bill package to create new state tax incentives for affordable housing development was sent to the governor as part of the fiscal year 2027 budget deal. Both chambers had

their own versions of the package sponsored by Reps. Joe Aragona (R-Clinton Chtr. Twp.) and Kristian Grant (D-Grand Rapids) and Sen. Jeff Irwin, respectively. Ultimately, all three sponsors receive credit for one bill, with House Bills 5806 and 5807 and Senate Bill 966 receiving final approval. MTA supported the package as it will establish the Michigan Housing Opportunity Tax Credit. The credit provides an incentive to build low-income housing by allowing developers, investors and insurers to claim a credit against their individual income, corporate income or flow-through entity taxes. To the extent qualifying applications are received, at least 30% of annual awards are reserved for rural areas.

Single stairways for certain multi-family housing developments approved

Legislation supported by MTA allowing certain multi-family buildings to have a single interior exit stairway are set to become law following Senate amendments. House Bills 5770 and 5771, sponsored by Reps. Parker Fairbairn (R-Harbor Springs) and Stephen Wooden (D-Grand Rapids), implement fire safety requirements for multi-family housing to allow construction of buildings with smaller footprints. The bills update the building code to allow apartment buildings with a maximum of four above-ground floors to have a single stairway if they meet certain accessibility and fire suppression standards. The Senate eliminated language allowing buildings up to six floors above ground to have a single staircase if served by an accredited fire department that met minimum aerial apparatus requirements. The amended bills now move to the governor for signature.

Transformational brownfield program expanded

Michigan's transformational brownfield program supports challenging redevelopment projects by leveraging tax revenue generated after the completion of the project to reimburse the developer for remediation and development costs. Senate Bill 723, sponsored by Sen. Sarah Anthony (D-Lansing), makes broad changes to the transformational brownfield program by revising project eligibility, expanding reporting and accountability requirements, modifying tax capture provisions, and eliminating the Dec. 31, 2027, sunset on new project approvals. The bill establishes new affordable housing and project oversight requirements while increasing the statewide tax capture authorization from $1.6 billion to $3.2 billion. The House amended SB 723 to include additional transparency requirements designed to prevent companies from abusing the program by blocking incentives for actions like simply relocating a business without expanding its scope or seeking incentives for jobs already supported through another incentive from the Michigan Strategic Fund. The Senate concurred with the House and sent SB 723 to the governor for approval.



Legislation approved to expand golf carts on streets

A bill to expand the number of townships, cities and villages eligible to authorize golf cart operation on local streets received final approval on July 3. House Bill 4644, sponsored by Rep. Alicia St. Germaine (R-Harrison Chtr. Twp.), raises the population threshold for eligible communities from a population of fewer than 30,000 to fewer than 65,000. The bill does not change existing provisions that allow the county board of commissioners to disapprove golf cart operation on roads within a township. The bill has been referred to the governor for review and signature.

Amber Alert flexibility approved

A two-bill package sponsored by Reps. Jerry Neyer (R-Lincoln Twp.) and Angela Rigas (D-Caledonia Twp.) and updating Michigan's Amber Alert Act received nearly unanimous bipartisan support. House Bills 4517 and 4518 expand the circumstances under which the Michigan State Police (MSP) can issue an Amber Alert. Current law limits Amber Alerts to cases involving an abduction, imminent danger and sufficient information for the public to assist in finding the child. HBs 4517 and 4518 would expand MSP's authority to issue alerts for missing children with special needs and for any missing child the agency believes may be in danger following a preliminary investigation. The package is known as the "Rowan Act," in honor of Rowan Milford Morey, who was tragically killed by his biological father in 2024 and for whom an Amber Alert was not issued due to legal limitations despite his mother's attempts to report him missing. The package is pending signature by the governor.

Large investors' home purchases to be prohibited

Legislation to limit the number of single-family homes that large corporations can buy in the state received final approval and is headed to the governor for signature. House Bill 6074, sponsored by Rep. Karl Bohnak (R-Negaunee), will prevent corporations that already own more than 100 similar properties from purchasing additional single-family homes in Michigan. The legislation is intended to help protect families from being priced out of the housing market by preventing large corporations from buying up single-family homes in the state. The legislation provides a civil fine of up to $25,000 for each violation.



MSP must establish missing senior or vulnerable adult medical alert system

Currently, upon being notified of a missing senior or vulnerable adult, local law enforcement agencies must develop a report that includes characteristics of the missing individual and preliminary investigative findings. This information is only distributed to police officers or broadly to the public through media sources. Senate Bill 456, sponsored by Sen. Mallory McMorrow (D-Royal Oak), amends the Mozelle Senior or Vulnerable Adult Medical Alert Act to require the Michigan State Police (MSP) to design an alert system plan that allows useful information from a missing or vulnerable adult report to be rapidly disseminated to mobile devices in the same manner an Amber Alert for a missing child is rapidly distributed. Under the bill, local law enforcement would notify MSP of a missing individual and request an emergency alert upon delivery of the local missing senior or vulnerable adult report. SB 456 has been passed by both chambers and is expected to be signed into law.

House and Senate pass largely similar dam safety updates

House Bill 5485, sponsored by Rep. Bill Schuette (R-Midland), and Senate Bill 947, sponsored by Sen. Mallory McMorrow (D-Royal Oak), received their respective chamber's approval last week. The bills make similar updates to the Natural Resources and Environmental Protection Act, including some recommendations from the Michigan Dam Safety Task Force report issued in 2021. Key provisions include the expansion of state oversight and frequency of inspections, updated design standards, and a grant program to support maintenance and repairs of high-risk dams. To support these changes, dam owners would also be subject to significant licensing fee increases. As many local governments in Michigan own dams, including more than 30 townships, MTA is monitoring both bills due to the increased costs. HB 5485 and SB 947 await further consideration in the Senate and House respectively.

Senate approves updated tax breaks for the redevelopment of commercial and industrial properties

Michigan's Obsolete Property Rehabilitation Act (OPRA) and Plant Rehabilitation and Industrial Development Act allow local governments to encourage private investment through targeted property tax incentives. Under each act, local governments may establish eligible districts and approve applications for tax exemptions. After local approval,

applicants submit requests to the State Tax Commission, which approves or denies exemptions based on statutory eligibility criteria. Approved properties pay a specific tax instead of the regular property tax. The revenue is distributed in the same manner as property taxes, except the portion otherwise allocated for local school operating expenses is deposited into the state School Aid Fund. The state treasurer may further sweeten the calculation of the specific tax for a limited number of OPRA projects annually by exempting up to 50% of the school operating mills. Senate Bills 792 and 793, sponsored by Sen. Paul Wojno (D-Warren), would expand access to the incentives and update some administrative requirements. SB 792 would extend OPRA's sunset date by 10 years, from December 2026 to December 2036, and increase the number of annual school operating millage exemptions the state treasurer may approve from 25 to 45. SB 793 would require local clerks to provide disapproved applications to the applicant and local assessor while eliminating an applicant's ability to appeal a local government's denial. Both bills also clarify that rehabilitation begins when a building permit is issued for work on a rehabilitated facility rather than for demolition. The Senate approved both bills, and they now await consideration by the House Regulatory Reform Committee.

Treasury shares ARPA wrap-up reminders



As the federal American Rescue Plan Act (ARPA) program enters its final stage, all townships that accepted ARPA funds are reminded of remaining requirements. The majority of Michigan's townships accepted State and Local Fiscal Recovery Funds (SLFRF) through ARPA, which were allocated by the U.S. government in 2021 to support response to and recovery from the COVID-19 pandemic. The state Department of Treasury recently shared a memo with Michigan local governments offering details on program requirements and deadlines, including reminders on fully expending all ARPA funds by Dec. 31, 2026, reporting and single audit requirements. Additionally, Treasury noted that townships should retain all ARPA/SLFRF records for a minimum of five years after the final expenditure or after funds are returned. This includes supporting documentation, such as financial records, contracts, payroll, procurement, programmatic files, subrecipient oversight, etc. Please note that all ARPA records must also comply with other record retention schedules. Much of this information had previously been shared with townships in *Township Focus*, on MTA's website and other communications. Find more on MTA's "ARPA Resource and Updates" webpage.

MIHI touts updated broadband map

The Michigan High Speed Internet Office (MIHI) developed the Michigan broadband map to serve as a hub for information on broadband accessibility across the state. The map has been updated to reflect the most up-to-date

broadband developments. Interested individuals can use the map to identify high-speed internet providers at their residence or business, as well as review service information by county, census block, and school and legislative district. The map also provides users with a dashboard tracking the plans and status of broadband construction projects for providers who have received funding from the Broadband Equity, Access and Deployment (BEAD) grant program.

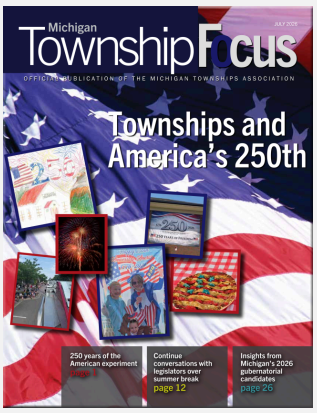
ORV safety education grant applications due August 1

Townships can apply now for 2026 ORV safety education grants, designed to support the delivery of ORV safety classes taught by certified instructors. Safety classes are required for all ORV riders under the age of 16 to receive their ORV safety certificate and reinforce safe and responsible enjoyment of Michigan's more than 4,000 miles of ORV trails. Applications are due by Aug. 1, with the grant period beginning Oct. 1. The ORV safety grant webpage also includes a program overview and instructions, and additional details. Contact KennedyR@Michigan.gov with questions.

Finding asbestos notifications with MiEnviro

Asbestos can still be found in older buildings undergoing renovation or demolition, posing health threats for those exposed to it. The Michigan Department of Environment, Great Lakes, and Energy (EGLE) tracks asbestos notifications and makes the data publicly available through the MiEnviro portal. Join EGLE on July 29 at 10 a.m. for a webinar covering asbestos notifications, required submitters, and how the public can use MiEnviro to find asbestos notifications in their communities.

Read the July issue of *Township Focus*—online now!



Your July issue of *Township Focus* is here! In this month's cover story, **Townships and America's 250th**, we reflect on the role of townships over the course of our nation's history and share just a few examples of how townships around the state are celebrating and honoring our country's historic milestone—from time capsules to reenactments, community gatherings and more. Ahead of the August primary, we also share **insights from 2026 gubernatorial candidates** on a variety of key issues impacting Michigan local governments. The **"Hello, MTA…?"** column explores meeting accommodations under the Americans with Disabilities Act, as well as website accessibility rules, while **"Financial Forum"** dives into election worker pay.

Reminders for clerks

- **May early voting wage reimbursement closes July 13—** Reimbursement claim forms can be submitted via the state Bureau of Election's Electronic Orders & Requests system.
- **Voter registration deadline—July 20** is last day for voters to register to vote in any manner other than in person at the local clerk's office to vote in the Aug. 4 election. Secretary of State offices that offer voter registration will provide customers who register with direction on additional steps to participate in the election.
- **AV drop box locations—**Review your township's absent voter (AV) drop box locations in the Qualified Voter File and make any changes as needed. To add or update a location, select "Elections," "Jurisdiction Hours," then navigate to the "Drop Box Hours" tab.
- **Upcoming November election deadline:**
  - **July 28**—Petitions to place a local ballot question on the ballot must be filed with applicable local or county clerk.

Evening class explores hot topics in township planning and zoning

Join MTA as we team up with our legal counsel to bring you what's new, changing and challenging with the *Hottest Topics in Planning & Zoning*. At this August evening class, you'll get the latest on renewable energy, data centers and amendments to the Land Division Act, tips for cooling tensions over short-term rentals, and practical insights into ordinance enforcement. Learn more here or register online now.

