Michigan Township INSIGHTS

May 22, 2026

House passes property tax reform without revenue replacement



The House took action on eight bills to reform property taxes late Wednesday that also reduces funding to local governments and schools with no revenue replacement mechanism. The legislation approved would eliminate the pop-up or uncapping for all property upon sale, eliminate the six mills State Education Tax, eliminate the state real estate transfer tax and eliminate ALL personal property taxes (including utility personal property taxes). The bills approved were:

- House Bill 5872 would eliminate the uncapping or "pop-up" tax when the property is sold. Currently, when a property is sold, its taxable value resets to match the current market value.
- HB 5873 would eliminate the six-mill State Education Tax.
- HB 5874 would repeal the state real estate transfer tax.
- HBs 5875, 5876 and 5877 would amend statutes to reflect the repeal of the state real estate transfer tax.
- HB 5878 would eliminate ALL personal property taxes, including utility personal property taxes.
- HB 5879 would require public utilities to provide a correlating reduction in residential rates.

The bills moved through the House Government Operations Committee in approximately five minutes and were passed by the House, mainly along a party-line vote, late Wednesday. Given there was no opportunity to testify, MTA submitted a letter of opposition outlining the fiscal concerns with the funding reductions in HBs 5872 and 5878 due to the substantial long-term fiscal impacts they impose on local units of government. Any revenue proposal must include full reimbursement along with a growth component to maintain critical services for communities long term. While the proposed reimbursement mechanism, HB 5880, was not considered, it doesn't provide guaranteed replacement funding. The bill states local governments would receive any remaining revenue after schools were held harmless and the amount would be prorated if insufficient.

Fiscal projections estimate a $4.9 billion reduction in total tax revenue for the state, local governments and schools.

MTA remains committed to collaboration with the Legislature and the governor on property tax reform solutions that strengthens the long-term sustainability and reliability of the reimbursement structure for local governments. The proposal





UPCOMING MTA TRAINING

This June: Election Ready afternoon workshops:
· **June 4** – Kalamazoo, WMU Fetzer Center
· **June 16** – Marquette, NMU
· **June 17** – Gaylord, Treetops Resort
· **June 23** – Frankenmuth, Bavarian Inn Lodge
· **June 25** – Online, 1-5 PM

June 10: *Now You Know* lunchtime webinar Meeting Misconceptions

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

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passed Wednesday does not provide a reliable, stable funding source for Michigan's local governments or schools. The bills have been transferred to the Senate where their future is uncertain; however, property tax reform could be tied to the final budget agreement.

Revised revenue sharing estimates

Following the Consensus Revenue Estimating Conference, the Department of Treasury has updated the estimates for local units of government. Townships can check the revised Constitutional Revenue Sharing Projections for FY 2026 and FY 2027.



Senate approves mobile home park licensing reforms

Sen. John Cherry (D-Flint) has been working on statutory changes for several years to address home ownership, health and safety concerns for residents of unlicensed mobile home parks. The most recent legislation—including Senate Bills 934, 935, 936, 937, 938 and 939 brought forward by a bipartisan group of sponsors—represents a compromise between the mobile home industry and community advocates. The package includes several reforms for an industry whose regulations have not received a significant update in nearly 40 years. The bills would create a statewide database of mobile home parks and their owners, establish additional requirements for mobile home park licensure, increase licensing fees, protect residents from deceptive utility and rent billing practices, require notification of ownership changes or proposed land use changes for the locations of parks and provide incentives for owners who choose to sell a park to the residents. The Senate approved all six bills by a nearly unanimous vote this week. The legislation will now move to the House for further consideration.

New certification requirements for sewer system operators

A recent change in administrative rules now requires certification for sewer system operators who oversee collection systems or retention treatment basin facilities, who were previously exempt from certification requirements if they did not oversee a wastewater treatment facility. On June 4 at 1 p.m., the Michigan Department of Environment, Great Lakes, and Energy will host a webinar discussing the implementation status and anticipated timeline of the rule changes to prepare operators for the new certification process. Register online for the webinar, which is approved

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Financial best practices for communities

Register today for the state Department of Treasury's next Fiscally Ready Communities webinar, "From Fundamentals to Best Practices," held June 3 at 2 p.m. The webinar will focus on implementing financial best practices, measuring fiscal health, and local government financial management fundamentals. Participants will receive resources on reconciling a bank account, how to read and interpret governmental financial statements, audit prep umbrella, how to complete and file an F65 Report, remitting taxes timely, and how to craft an appropriate and effective audit finding corrective action plan. Questions can be submitted in advance to TreasLocalGov@michigan.gov, with the subject line "Fiscally Ready."

Public comment requested on Treasury Uniform Reporting Format revisions

The Michigan Department of Treasury's Local Audit and Finance Division is seeking public comments from local officials and interested individuals on its proposed revisions to the Uniform Reporting Format (URF). The updates reorganize and clarify several sections of local government financial reporting to better align with current GASB standards, including changes to fund statement titles, budget reporting placement and supplementary information requirements. Interested parties should review the URF draft memorandum, summary of URF revisions and full draft URF. Email comments to LAFD_Audits@michigan.gov with the subject line "Exposure Draft — URF" by June 18.



FEMA announces fire grant opportunities

Townships can now apply for three fire grant programs from the Federal Emergency Management Agency (FEMA). Applications are due for each program by June 22.

- The **Assistance to Firefighters Grant** program can be used to fund vehicles and equipment, wellness

programs, training and facility upgrades. For communities with a population up to 100,000, grants are capped at $1 million with a micro grant option up to $75,000.



- The **Staffing for Adequate Fire and Emergency Response** grant program supports fire department efforts to recruit, hire and retain career and volunteer firefighters.
- The **Fire Prevention and Safety** grant program supports public education, wildfire and community risk reduction and code enforcement, with a focus on serving high-risk populations and low-income communities. Grant funds may also be used for research and development activities like clinical studies, technology development and other activities that reduce firefighter line-of-duty deaths and injuries.

MTA's June webinar reviews meeting misconceptions

Township board meetings, annual meetings, special meetings, public hearings, workshops, joint meetings … the list goes on. If the variety of meetings has you second-guessing the rules, you're not alone. Join MTA Member Information Services Director Michael Selden on June 10 for our *Now You Know* lunchtime webinar, and get a clear, practical breakdown of meeting types and requirements. Learn strategies for managing public comments, techniques for handling complaints and other board etiquette tips, all in just one hour. Can't make the date? Watch it later. Register online now.

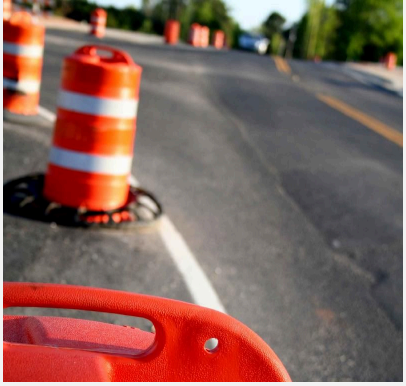
Fuel Transformation Program grant opportunity

The Michigan Department of Environment, Great Lakes, and Energy has announced the Fiscal Year 2026 Fuel Transformation Program (FTP) request for proposals. FTP provides approximately $28 million in competitive grants to help replace or repower diesel vehicles and equipment with cleaner technologies. Funded through the Volkswagen Environmental Mitigation Trust, the program supports the purchase of products like medium and heavy-duty trucks, electric school and transit buses, marine vessels and cargo-handling equipment. Public and private entities are eligible to apply, with some government-owned and all-electric projects eligible for up to 100% funding. Applications will be accepted on a first-come, first-served basis until funding is exhausted. Visit the FTB website to learn more about the program.

Construction barrels reduced for holiday travel

As an estimated 1.3 million Michigan residents are predicted to travel 50 miles or more over Memorial Day weekend, holiday travelers will find 60% of lane restrictions on road and bridge projects lifted to ease congestion, beginning this afternoon (May 22), and continuing until 6 a.m. Tuesday, May

26. The Michigan Department of Transportation has a list of work zones that will remain active or have lane restrictions during the weekend and a map with information on state road closures available year-round.



Updates for clerks

- When hiring new staff during this election cycle, remember that all new Bureau of Elections eLearning account requests require clerk approval before an account can be created. Clerks should also use the eLearning account request form to report staff changes, including retirements, resignations, title changes, and name or email updates; chairpersons and election inspectors are not eligible for eLearning accounts.
- When processing absent voter (AV) applications or ballots for a voter-requested temporary address, clerks must enter them as an “alternate address” in the Qualified Voter File (QVF). Erroneously updating the permanent address will trigger changes to the voter’s driver record. If an incorrect permanent address was entered, clerks should remove it and follow the guidance in QVF Manual Chapter 6 of the Quick Guide for Adding Alternative Addresses for Absent Voters.
- As of Jan. 1, 2026, all ballot drop boxes must be monitored by video surveillance during the 75 days before each election. Local governments must also maintain the required number of state-funded drop boxes based on registered voter totals and update all drop box information in the QVF, including whether a box is located at an election office. Updates must be completed before June 25. Contact BOEReimbursement@Michigan.gov or (800) 292-5973 with questions about drop box reimbursement, ordering or eligibility.

Federal update for week of May 19

Check out the National Association of Towns and Townships Weekly Legislative Update for the latest on federal actions impacting townships.

MTA offices closed on Monday, May 25

The MTA Offices will be closed on Monday, May 25 in observance of the Memorial Day holiday. We will reopen at 8 a.m. on May 26.



MICHIGAN TOWNSHIPS ASSOCIATION

Michigan Townships Association | 512 Westshire Drive | Lansing, MI 48917 US

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