

American Rescue Plan Act to provide aid to local governments

Michigan is expected to receive \$10.3 billion—including an estimated \$1.46 billion for municipalities—in direct financial relief under the American Rescue Plan Act of 2021 (ARP).

Approved by Congress and the president in March, the ARP contains \$1.9 trillion for the coronavirus relief package with \$350 billion allocated for state, local and tribal governments to mitigate the fiscal impacts of the COVID-19 pandemic and provide vital services. Local governments can use ARP funds to cover costs incurred by Dec. 31, 2024, to:

- Provide government services affected by a revenue reduction during the pandemic (in the most recent full fiscal year prior to the emergency); thus, a local unit may use the money to replace the amount of revenue lost during the pandemic compared to the prior full fiscal year
- Make necessary investments in water, sewer and broadband infrastructure
- Respond to the COVID-19 emergency and address its negative economic impacts, including aid to households, small businesses, nonprofits, and industries such as tourism and hospitality
- Provide premium pay—up to \$13 an hour or \$25,000 per worker—in additional wages for essential employees performing an essential function in the pandemic

The allocation of funds will be based on relative population counts with a maximum based on 75% of the local government's budget as of Jan. 27, 2020 (pre-pandemic annual budget). Additionally, the ARP prohibits the use of the funds for pension or to offset revenue loss due to a tax cut.

The measure sets 60-day deadlines (i.e., May 10, 2021) for the U.S. Treasury Department to distribute 50% of the funds to state and local units—with municipalities of 50,000 population and above receiving direct payment from the federal government. For local units with populations of less than 50,000, the state must distribute the funds within 30 days of receiving the Treasury payment, with extensions permitted.

A second tranche of funds will be distributed to localities 12 months after the initial allocation (April/May 2022).

The ARP also includes \$10 billion to states for a Critical Infrastructure Projects Program, with Michigan expected to receive \$250 million. The monies are to be used for projects that would directly enable work, education and health monitoring—including remote options—in response to COVID-19. Examples provided during the legislative discussion included water, sewer and broadband.

Final U.S. Treasury allocations and guidance were not available as of press time, and current estimated allocations and summaries are subject to change. Forthcoming guidance is also expected to address several outstanding questions. Watch MTA publication for more information as it becomes available.

Legislative lowdown

A quick look at critical bills that MTA is following as they move through the legislative process. For a complete list, head to MTA's "Legislative Action Center" on the members side of www.michigantownships.org, or look to our weekly and monthly e-newsletters sent to all MTA member officials.

HB 4014: Speed limits—Modifies procedure for establishing speed limits. *MTA supports.*

HB 4084: Unlawful dumping—Revises criminal penalties and civil fines for unlawful dumping of garbage. *MTA supports.*

HB 4123: Water supply—Modifies use of clean water assistance and safe drinking water assistance funds for energy efficiency water works projects. *MTA supports.*

HB 4129: Elections—Requires secretary of state to post on department of state website list of local clerks who are not current with continuing education training. *MTA monitoring.*

HBs 4132-4133: Elections—Creates felony penalties for knowingly submitting an absentee voter (AV) ballot application using another person's name and personal information and for submitting an AV ballot application with the intent of obtaining multiple AV ballots for a person. *MTA monitoring.*

HB 4134: Elections—Allows increase in allowable precinct size and requires permanent absent voter list. *MTA supports.*

HB 4135: Elections—Requires absent voter counting boards in cities and townships with more than one election precinct. *MTA monitoring.*

HB 4172: Firefighter Cancer Presumption—Extends presumption of causation to part-time, paid on-call, and volunteer firefighters. *MTA monitoring.*

HB 4285: Candidate Filing Fees—Makes filing fees for candidates seeking township office nonrefundable and designates use of funds for election equipment. *MTA monitoring.*

HBs 4454-4461: Solid Waste: Revises current Part 115 solid waste law to create materials management plans and places more emphasis on recycling and composting of materials. *MTA supports.*

SB 17: Public employees and officers—Modifies population thresholds for contracts of public servants serving as public safety officers. *MTA supports.*

SBs 22 & 23: Elections—Limits millage elections to November elections. *MTA opposes.*

SB 46: Broadband personal property exemption—Creates a personal property tax exemption for new broadband equipment that resolves lack of broadband service. *MTA opposes.*

SB 61: Shoreline permits—Provides for expedited permit processing during high water. *MTA supports.*

SB 207: Open Meetings Act: Extends ability for a public body to hold meetings electronically or with remote participation under certain circumstances and provides procedures and requirements for electronic meetings. *MTA supports.*