

# MAC Legislative Update

*April 28, 2021*

-Deena Bosworth



MICHIGAN COUNTIES VIRAL  
LEGISLATIVE CONFERENCE

APRIL 28-29, 2021

**MAC**  
ASSOCIATION OF COUNTIES

 MICHIGAN COUNTY  
MEDICAL CARE  
FACILITIES  
COUNCIL  
*Our Mission Sets Us Apart*



# 101<sup>st</sup> Legislature

- **House**
  - New leadership
  - Committee structure
  - Committee chairs
- **Senate**
  - Same leadership
  - Two vacancies
- **Census/Redistricting**



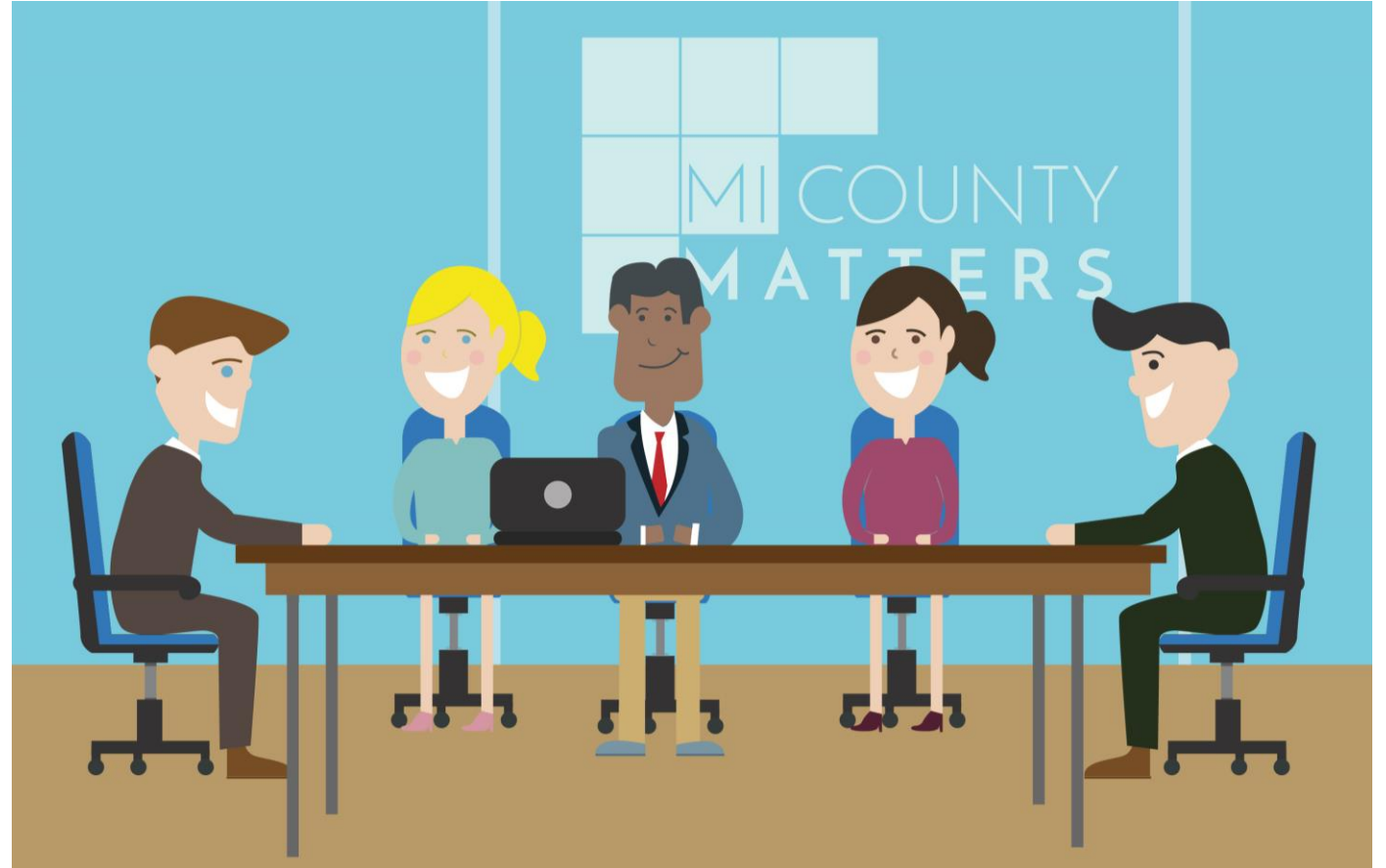
# MAC 2021 Priorities

- **Extending County Commissioner Terms to Four Years**
- **Enacting Reforms to Improve the Functioning of Local Courts**
- **Bolstering Michigan’s System of Financing Local Government**
- **Ensuring the State Covers Costs for Property Tax exemptions**
- **Adopting Measures to Reverse Damage Inflicted by “Dark Stores”**
- **Bolstering Michigan’s Human Services Programs**



# Four-year Commissioner Terms

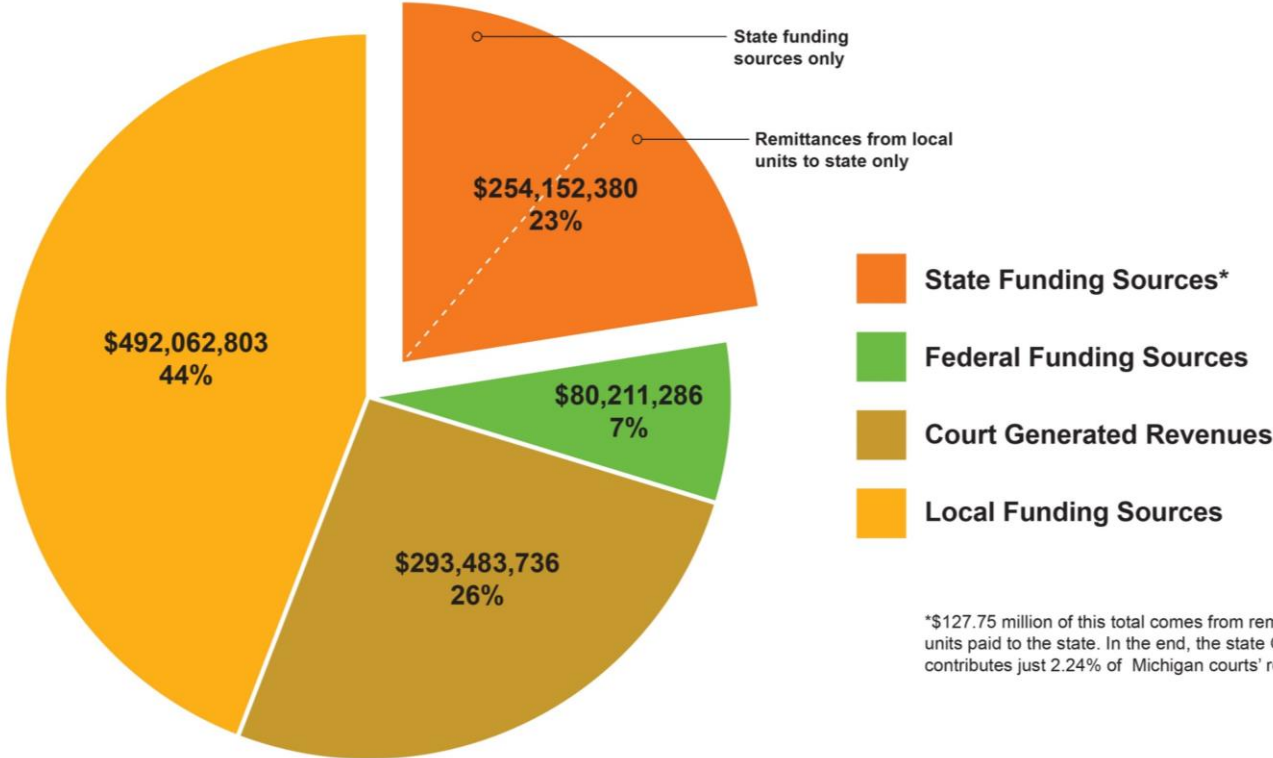
- **SBs 242 (McBroom, R-Dickinson) and 245 (Moss, D-Oakland)**
  - New 4-year terms would begin in 2024 presidential election
  - Hearing set in Senate Local Government Committee
  - Phone2Action campaign under way



# Trial Court Funding

- **Implementation of the Trial Court Funding Commission recommendations**
- MAC representative on commission provided input and overview of current system to House Judiciary Committee
- HB 4447 (Lightner, R-Jackson) transitions judges to state employees; dispenses with county responsibility for portions of their salary; committee action expected before summer

CALCULATION OF TOTAL REVENUES PROVIDED TO COURTS BY UNITS OF GOVERNMENT



\*\$127.75 million of this total comes from remittances from local units paid to the state. In the end, the state General Fund contributes just 2.24% of Michigan courts' revenues.





# Finance Reform

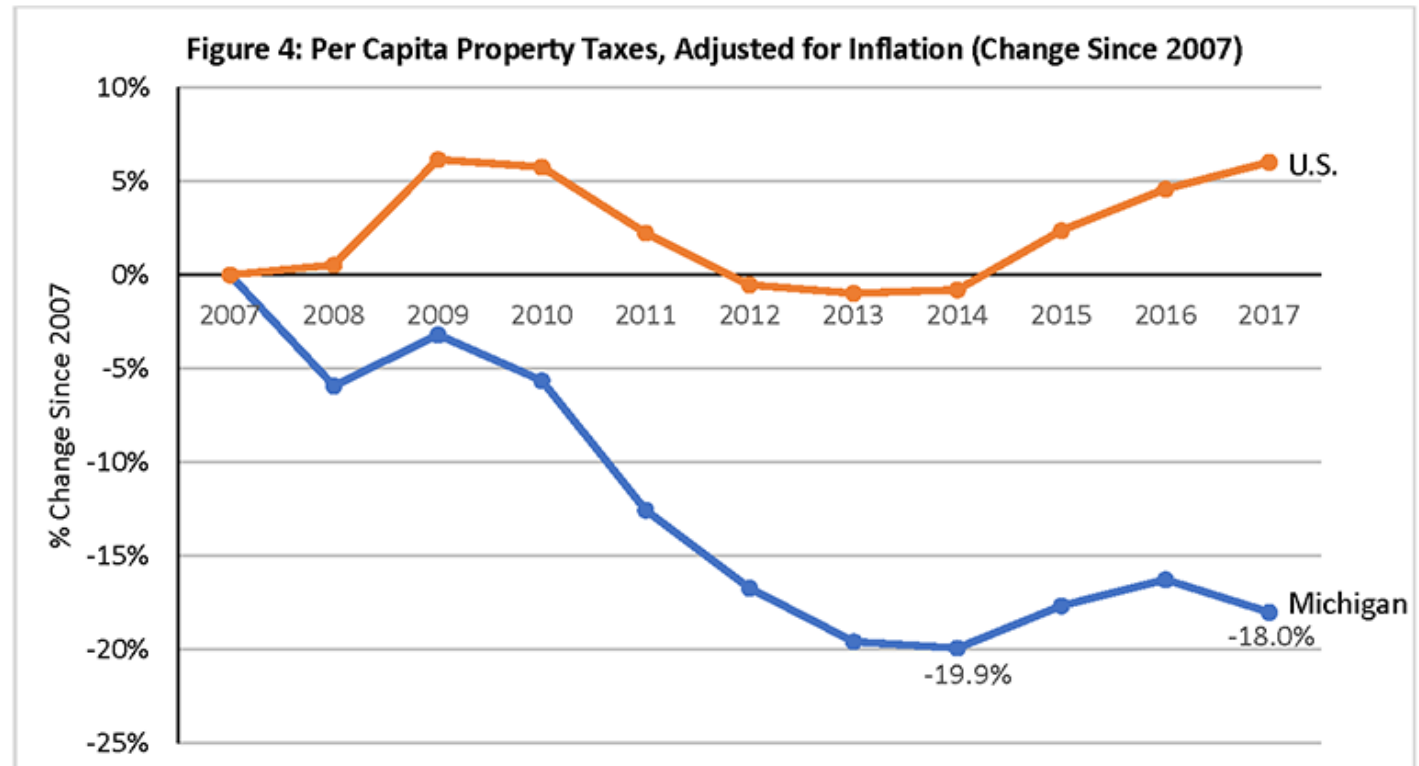
- **Bolstering System of Financing Local Government**
  - Secure a dedicated revenue stream to support a county revenue sharing trust fund
  - Ensure stable and sufficiently funded revenue streams for new or increases in mandated services
  - Create a tourism reinvestment excise tax for our counties
  - Re-open the window of opportunity for counties to transfer their foreclosure responsibilities to the state
  - Exempt special millages from tax capture and allow for opting out of tax captures at the expiration of the original plan agreement



# Property Tax Exemptions

- **Moratorium, Evaluation and Reimbursement**

- Moratorium – winners & losers
- Veterans exemptions
- Poverty, commercial, foreclosures
- Nonprofit & charitable
- Expansion of PPT exemptions
  - Solar and alternative energy
  - Broadband
  - Heavy equipment
  - Micro-fulfillment centers



Source: U.S. Census Bureau (2017).



# Human Services

- **Funding for Mandates, Local Control for Programming**
  - Ensure state fulfills obligation to fund 100% of new costs to cover 17-year-olds entering juvenile justice system on Oct 1, 2021, pursuant to statute and data from family courts
  - Maintain locally governed public mental health system with community and evidence-based mental health care
  - Increase funding to support community mental health providers to meet the increasing demand on the system





# Veterans Legislation

- **HB 4122 (Glenn, R-Midland)**
  - Limited reduction in county maintenance of effort (MOE) requirement
  - Exemption for 20 hours per week staffing requirement
  - Changes would allow more counties to qualify for the \$50,000 base grant
- **SB 10 (Theis, R-Livingston)**
  - Allow county veteran service boards to meet in closed session to interview veteran, spouse or dependent regarding application benefits



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# FCC 911 Diversion Rules

- **MAC partners with Michigan Communications Directors Association (MCDA) to Oppose FCC Proposed Rules**
  - Rules would disallow certain uses of and the elimination of 911 fees utilized for radio infrastructure, mobile and portable radios, pagers, etc.
  - Shift cost to counties and negate local control on utilization of 911 fees
  - MAC/MCDA back a broader interpretation of the rule so the entire 911 dispatching communications process can be covered;
  - MAC engaged with NACO and sent a letter to the Michigan congressional delegation



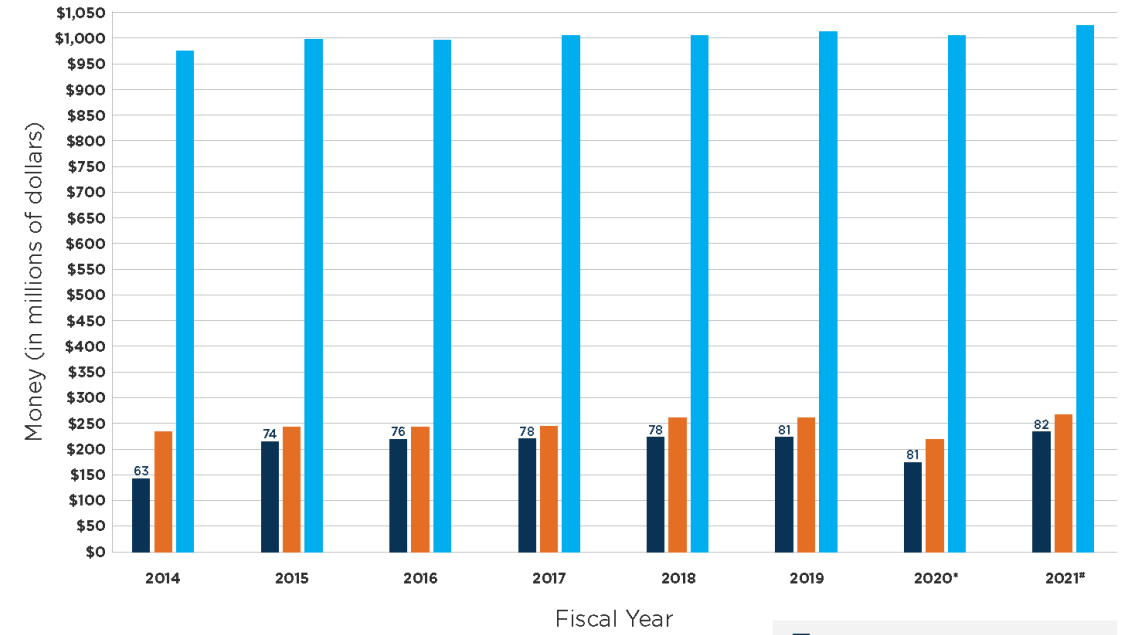
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# Revenue Sharing

- **Current Year and Back Pay**
  - Exec rec: 2% increase in statutory revenue sharing for counties, adding \$4 million, for a total of \$231 million
  - House subcommittee drops increase to 1% and adds additional strings
  - MAC seeking back pay for cuts pre-2015
  - Requests for reinstatement made in House, Senate & State Budget Office
  
- **Trust Fund**
  - Sales tax
  - BSF growth
  - Stability and growth allowance

## A LEGACY OF DISPARITY

Michigan's unusual arrangement of state support for local government, with counties receiving only statutory support and locals receiving statutory and constitutional, has perpetuated a massive imbalance in aid to counties vs. cities, villages and townships (CVTs).



Source: Treasury Department and House Fiscal Agency data  
 \*Counties compensated for drop with CARES Act funds in August 2020.  
 #Estimated amounts



# Materials Management Plans

- **Modernization of Solid Waste Management Plans**
  - Eight-bill, bipartisan package
  - Workgroups, introduced, reintroduced, House passage
  - Requires each county OR planning agency to rewrite their plans and have them approved within 3 years
  - Annual grants of \$60,000 base allocation per county plus \$10,000 per county if it's a multi-county area and 50 cents for each resident up to \$600,000
  - Sets a goal of 30% recycling of material by 2029
  - Requires greater financial assurances licenses and regulations of the industry including composting
  - MAC hesitantly supports this package of bills due to concerns that the county requirements are going to exceed the funding allocation



# FY21 Supplemental State Budget

- **\$1.3 billion in federal COVID relief**
  - \$77 million for direct care worker wage increase
  - \$110 million for vaccine administration
  - \$220 million for emergency rental relief and utility assistance
  - \$207 million for testing and contact tracing



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# FY22 State Budget

- \$14.8 million for county jail reimbursement program (House and Senate versions)
- \$5 million for COVID-19 reimbursement for county jails for housing prisoners (House)
- \$51.4 million for essential local public health (House); Senate version is \$56.4 million
- \$36 million allocation of federal state opioid response grants (House and Senate)
- \$265 million for the Child Care Fund (House); Senate version is \$229 million
- \$3.5 million for county indirect cost allotments (House and Senate)
- \$9.1 million for the Raise the Age Fund for implementation and non-eligible CCF items (House); Senate version is \$14 million
- \$26.5 million to fund a certified community behavioral health clinics demonstration program (House and Senate)
- \$4 million for county veteran service fund grants (House and Senate)
- \$12.9 million for secondary road patrol program (House and Senate)
- \$10.1 million to phase out local CMH drawdown on Medicaid (Senate)



# American Rescue Plan

- **\$1.95 billion Coming Directly to Michigan Counties**
- **Awaiting Federal Guidance**
- **First Payment Expected May 10, 2021**
- **Funding Only for COVID-related Expenses or Replacement of Revenue Loss Due to Pandemic**
- **Revenue Loss Could Materialize in the Future**
- **You Are ‘Best Friend’ Who Won Lottery**
- **Coordination of Efforts**
  - Administration
  - Other local organizations
  - Business community



# The Housing Michigan Coalition

- **Community, Business & Government Groups Align to Support Increasing Housing Supply & Affordability**
  - Enhancing accessibility/affordability strengthens communities, supports economy & improves outcomes for families
  - Tax exemptions & incentives for development
  - Senate package: SBs 360-64
  - House package: HBs 4646-50



# Questions?

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