



# 2023 Legislative Year in Review

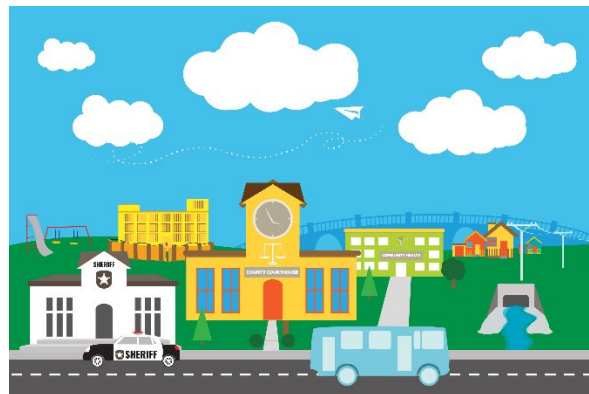
MAC Governmental Affairs  
Deena Bosworth, Director  
12/7/23



# Year in Review

## Environmental

- **Solar and Wind Siting**
  - MAC opposed legislation to grant the Public Service Commission (PSC) siting authority over solar and wind facilities, preempting locals.
  - The final version of HB 5120 does enable locals to review applications before the PSC but offers limited flexibility in denying a project.
  - MAC testified in opposition in both chambers, and some of our concerns were addressed in the final version. It passed both chambers along party lines.
- **Septic Code**
  - MAC opposes legislation, as written, to create a statewide septic code.
  - HB 4479 prescribes that each property owner with a septic tank must have it inspected every five years, and all county point-of-sale ordinances will be invalid.
  - Workgroups happening through the fall and legislation may be revisited in the spring.
- **Gravel Mine Siting**
  - MAC opposes legislation to preempt local control and grant siting authority for gravel mining operations to the Department of Environment, Great Lakes and Energy (EGLE).
  - MAC signed a letter with other groups to oppose HBs 4526-28 and managed to halt their movement.
  - It could be revisited in the spring.
- **Materials Management Plans**
  - Legislation was signed late last term requiring all counties to update their Materials Management Plans. We have worked closely with EGLE to educate our members and connect them with the proper staff in preparation for the upcoming changes.





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## Finance

- **Designated Assessor**
  - HB 4979 would allow a county that has not or cannot designate an assessor of record for the county to have the State Tax Commission (STC) appoint one.
  - In 2018, Michigan amended the law to require a county to appoint an assessor or record to handle assessments at the local township or city level if the local unit was found to be substantially noncompliant with the act's requirements.
  - The intent was to allow the county designated assessor to clean up a local unit's tax roll.
  - Subsequently to the enactment of that statute, several counties have been unable to identify qualified assessors to fill that role.
  - The bill received bipartisan support in the House and now advances to the Senate for consideration.
- **Revenue Sharing Trust Fund**
  - Two-bill package creates a separate "Revenue Sharing Trust Fund" to receive and hold dollars solely for the purpose of fulfilling the state's promise to local governments on revenue sharing.
  - Requires that 8 percent of the revenue generated by 4 percentage points of the state's sales tax rate be deposited into fund.
  - MAC has long sought to create stability and fairness in the revenue sharing system by removing the statutory portion of it from the annual appropriations process.
  - House passed the bills with overwhelming support. Now awaiting Senate action.
- **Public Safety Trust Fund**
  - Two-bill package creates a Public Safety Trust Fund.
  - Carves out 1.5 percent of the first 4 percentage points of the state sales tax and dedicates those funds.
  - Passed the House. Now awaits Senate action.
- **Small Business Personal Property Tax Exemption Reimbursement**
  - Now PAs 174-175 of 2023
  - Due to the expansion of the small business personal property tax exemption expansion from \$80,000 in true cash value to \$180,000 in true cash value, it is anticipated that local governments across the state will face a reduction in revenue of up to \$75 per year.
  - The bills provide a methodology and reimbursement mechanism to reimburse locals for their losses associated with this expanded tax exemption.
  - Changes to the Use Tax Act would be made to require \$75 million in use tax revenue to be deposited into the Local Government Reimbursement Fund each fiscal year beginning with the fiscal year ending Sept. 30, 2024.



# Year in Review

- **Disabled Veterans Property Tax Exemption Reimbursement**
  - In yet another attempt to secure reimbursement for counties for their losses associated with the 100 percent disabled veterans property tax exemption, MAC testified in support of HBs 4894-96.
  - The bills would create a refundable income tax credit for the veterans payable to the local unit of government as the mechanism for reimbursement.
  - A vote was not taken on the bills.
- **Solar PILT Bills**
  - The bills allow for an optional structure for the taxes levied on solar facilities.
  - PAs 108-109 of 2023 allow for the creation of solar energy districts by local municipalities after a mandatory public hearing. Subsequently, solar energy developers could apply for an exemption from local property taxes and instead pay a flat rate of \$7,000 per megawatt of nameplate capacity per year for the proposed solar energy facility, instead of ad valorem property taxes.
  - The payment would be locked in for 20 years and distributed based on the proportions of normal taxes that would have been paid to each taxing unit.
  - An additional incentive would be offered for developers that choose to site facilities on brownfields, in opportunity zones, as a secondary use on already improved real property (i.e., roof tops) or on state-owned property. In such cases, the reimbursement rate would be \$2,000 per MW of nameplate capacity.

## General Government

- **Early Voting Implementation**
  - Now PA 81 of 2023
  - MAC supported legislation that permits clerks from other municipalities to jointly conduct elections. Pooling staff and other resources can make this process easier and more cost effective given the new circumstances.
- **Open Meetings Act**
  - MAC participated in a workgroup on updating the Open Meetings Act (OMA). We continue to advocate for the ability to participate in county board meetings remotely, so long as a physical quorum is present. We are open to other practical guardrails. More than 10,000 organizations in Michigan adhere to OMA, so there are many opinions to consider when updating the Act. Workgroup will resume in the spring.
- **FY24 Budget**
  - \$30 million in incentive grants to counties to coordinate implementation of early voting by local governments within their jurisdiction and to incentivize multijurisdictional coordination that provides for efficient election administration.



# Year in Review

## Health and Human Services

- **Opioid Fatality Review Teams**
  - Legislation to allow counties to form an Opioid Fatality Review Team passed both chambers in November.
  - MAC supported the bill, SB 133, which would operate similarly to Child Death Review Teams.
  - An individual county or a group of counties can choose to establish an Opioid Fatality Review Team to study the opioid crisis within their community.
- **Medicaid Inmate Exclusion Policy (MIEP)**
  - MAC, alongside Michigan Sheriffs Association and Community Mental Health Association of Michigan, has been seeking solutions for the MIEP. We are asking MDHHS to apply for a waiver from the Federal Centers for Medicare and Medicaid Services to allow incarcerated individuals to receive Medicaid coverage, sparing counties significant cost burden for those within county jails that are in need of medical care.
- **FY24 Budget**
  - \$31.5 million increase to County Child Care Fund for state reimbursement to counties. This coincides with the increase to 75 percent reimbursement for community-based services.
  - \$19.3 million dedicated to foster care per diems, representing an 8 percent increase.
  - \$25 million dedicated in an increase to Essential Local Public Health Services.
  - County Medical Care Facilities received grants for workforce retention -- \$67 million in workforce retention grants to nursing home providers (there are 34 county-operated medical care facilities).

## Judiciary and Public Safety

- **Juvenile Justice Reform**
  - MAC-backed reform legislation was sent to governor's desk before adjournment in November.
  - HBs 4624-4643 and SBs 418-437:
    - Child Care Fund increase to 75 percent reimbursement for community-based services
    - Expanding Michigan Indigent Defense Commission's work to include juveniles was removed, so MIDC will remain as is



# Year in Review

## Labor

- **Expansion of Binding Arbitration**
  - Now PA 171 of 2023
  - MAC opposed legislation to expand binding arbitration benefits to county correctional officers.
  - Binding arbitration can be costly and unpredictable and diminishes local control.
- **Minimum Staffing**
  - Legislation (HB 4688) to make minimum staffing a mandatory subject of bargaining for PA 312 employees did not make it out of House in 2023
  - MAC-opposed the legislation.
  - Counties are already facing severe staffing shortages, from sheriff's deputies to corrections officers, and implementing minimum staffing in negotiations for public employers/employees will not solve this staffing crisis.
  - Counties need assistance in recruiting and retaining public safety workers, not mandates from the state on how to staff departments they are constitutionally obligated to maintain.
- **Governmental Immunity**
  - Bill (HB 4486) to remove governmental immunity for cases of criminal sexual conduct by county employees never received a vote in the House.
  - MAC fought hard to ensure governmental immunity remains intact and local units are not held liable to unreasonable standards.
- **Expansion of Workers' Compensation Presumption**
  - HB 4729 would add respiratory and heart diseases to the list of ailments covered under the Workers' Compensation Act for fire, police, and public safety departments. The disease or illness must be attributable to the individual's employment. This would include full, part-time, and volunteer members of public safety.
  - The bill was not voted out of committee.





# Year in Review



## Transportation

- **Equipment Sharing**
  - MAC supported legislation to allow county road agencies to share equipment with the Michigan Department of Transportation (MDOT).
  - It is already common practice, but we codified it in law so that MDOT cannot change its mind down the road.
  - HB 4897 passed both chambers unanimously and is awaiting the governor's signature.
- **Local Grade Separation**
  - Now PA 66 of 2023.
  - MAC supported legislation to create a local grade separation grant program and fund. MAC worked closely with MI Railroad Association for several years to get it across the finish line in July.
- **Local Road Funding**
  - MAC participated in a study with the County Road Association (CRA) and other interest groups on the impact of electric vehicles on road funding.
  - Much of Michigan's road funding comes from fuel tax, and with the growth of electric vehicles, there will be a major loss of revenue from petroleum fuels over time.
  - It is estimated that by 2030 anywhere from \$65 million to \$90 million will be lost annually.
  - We continue to work closely with CRA and others to find policy solutions and advocate for state appropriations.
- **Federal Funding for Internet**
  - MAC is working closely with the MIHI Office on the distribution of nearly \$1.56 billion to expand high-speed internet across Michigan.
  - Counties have been classified as "enabling partners" and will play a key role in "identifying barriers to infrastructure deployment and developing and implementing solutions to overcome these barriers."
  - MAC has been keeping members informed of important deadlines and relaying information to MIHI staff to ensure funds are distributed fairly.