



# Rochester Hills City Council Presentation

February 9, 2026

# Budget Update

- **Consensus Revenue Estimating Conference**
  - FY 2026 Revenue overall decline of \$779.4 million
  - FY 2027 Revenue decline \$1.1 billion
    - \$700 million of which is because of the road funding package, the tax cuts on tips, overtime and Social Security
    - \$400 million is because of flattening of the economy and lower than expected business tax revenue
- **Governor Whitmer Budget Presentation**
  - Must be completed by February 13
- **Legislatively Directed Spending Items**
  - New transparency law provides that all LDSI requests are submitted 45 days prior to final adoption of the budget



# Property Tax Reform

- **Constitutional Options**
  - Amending Proposal A
  - Increasing Sales Tax
  - Must be sent to voters for approval
- **Statutory Options**
  - Pop-up tax complete elimination
  - Pop-up tax elimination for first-time home buyers and seniors
  - Pop-up tax half of current law

# What's Next?

- **Governor Whitmer Final State of the State**
- **Housing Legislation**
  - Local Preemption vs State Regulation Reform
- **Disabled Veteran's Property Tax Exemption Fix**
  - Providing dedicated revenue to local governments to pay for this property tax credit
  - Phased in over 5 years
- **Water Affordability Legislation**
  - Introduced in the House of Representatives



# 2026 – Election Year

Vote

- Governor, Secretary of State, Attorney General, US Senate, US House, State Senate, State House up for election.
- Ballot Initiatives – Mop Up Michigan, Ranked Choice Voting, “Tax The Rich” & Ax MI Tax.



# Questions?

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