



MIDWEST

S T R A T E G Y G R O U P



Rochester Hills City Council Update

August 10, 2026

Lansing Update

- **FY 2027 Budget Process**

- Late-night session July 2nd/3rd led to final passage of budget.
- Total spend was approximately \$86.3 Billion.

- **Policy Initiatives**

- Governor Whitmer signed 76 bills into law in 2025, the fewest enacted laws since 1842. So far this year the Governor has signed approximately 40 bills into law. Most of the bills passed as part of the budget deal.

- **Governor Vetoes 9-bills from Last Session**

- Legislation was trapped in limbo since end of 2024.
- Legal wrangling led to a MSC decision to force their presentation to Governor.
- Governor immediately vetoed.

FY 2027 Budget Deal

- **Revenue Estimates Flat to Down**

- Revenue projections are slightly higher than in January but still down.
- Changes in Federal Law (H.R. 1) and road funding changes pushed funding levels downward.

- **House/Senate/Governor Negotiated Deal**

- In a marathon session July 2nd and 3rd, the legislature passed a final budget deal and sent it to Governor Whitmer's desk. The budget contained no new taxes and didn't draw from the state's Rainy-Day Fund.
- Property Tax deal was not included in the final product.
- Budget was signed by Governor Whitmer on July 21st.

- **LDSI Requests**

- Approximately \$125 Million in requests included in final budget, approximately half of the amount awarded for current fiscal year.

FY 2027 Budget Deal

Highlights

- Revenue Sharing remains equal to current year funding.
- Public Safety Revenue Sharing remains equal to current year funding.
- Election Equipment Reserve Fund was not included in conference report.
- Pure Michigan – all ongoing funding eliminated. \$9 Million in one-time funding and \$2 Million in one-time funding for special events.

Policy Bills Included in Deal

- SB 732 amends the transformational brownfield economic development statute to eliminate sunset and increase annual captures.
- SB 721 & 722 extend the sunset on the commercial redevelopment & rehabilitation acts.
- SB 966 creates the low-income housing tax credit.

Legislative Policy Initiatives

- **Data Center Legislation**

- Several bills regarding data centers have been introduced. Most appear to be messaging bills designed to use during the general election campaign this fall.

- **Housing**

- Local Government Preemption

State statute would set minimum lot sizes, minimum home sizes, make ADU's and duplexes by right as well as institute a "shot clock" for local governments to approve applications.

- **Revenue Sharing Trust Fund (SB 559, 561, 912)**

- Earmark sales tax revenue and restrict those funds for local use.

What's Next

- **Primary & General Elections**

- The primary election was held on August 4th for political parties to choose their nominees for various offices. The General Election will be held on November 3rd and will decide control of the Michigan Legislature and other top offices in the state.

- **Fall Session**

- Legislators are scheduled to be here random days in August, September, and October but it is unclear how many, if any, days of legislative action will occur.

- **Lame Duck?**

- Lame Duck legislative sessions occur after General Elections and the status this year is up for debate.

2026 – Election Year



- Governor, Secretary of State, Attorney General, US Senate, US House, State Senate, State House up for election.
- Ballot Initiatives – MOP Up Michigan & Citizen Voting.



Questions?

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