

MIDWEST

STRATEGY GROUP



**Rochester Hills
City Council Update**

June 8, 2026

Lansing Update

- **FY 2027 Budget Process**

- Governor Whitmer proposed a \$88.1 billion budget.
- Michigan Senate passed a \$88 billion budget.
- Michigan House of Representatives passed a \$78 billion budget.

- **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 12 bills into law.

- **What's Next**

- Budget Adoption
- Primary & General Elections

FY 2027 Budget Update

- **Consensus Revenue Estimating Conference**

- Revenue projections are slightly higher than in January but still down year over year.
- For FY 2027, combined General Fund and School Aid Fund revenues were revised upward by about \$173.8 million. The School Aid Fund is expected to remain more stable because it was largely shielded from the road funding changes made last session.

- **Revenue Sharing**

- House Budget increased CVT Revenue Sharing by \$45.8 million & Public Safety Revenue Sharing by \$7.5 million.
- Senate Budget included the Revenue Sharing Trust Fund.

- **LDSI Requests**

- We have a LDSI request, submitted by Senator Webber, for the fire department.

Legislative Policy Initiatives

Property Tax Proposals

- **Speaker's Plan - \$5 billion with \$4.73 billion replacement**
 - Elimination of several taxes to be replaced with an expansion of sales tax into services. Speaker's team working to determine what services will be part of the proposal.
 - This is the House GOP's top legislative priority.
 - The Senate has not engaged on this yet and Governor Whitmer's staff does not want this to be part of budget negotiations.
- **Governor's Plan - \$90 million**
 - Property Tax Credit for Seniors – up to 10%.
- **Senate Appropriations Chair's Plan - \$300 million**
 - Expand the Homestead Property Tax Credit.
- **Budget Implications**
 - Each of these plans will impact the budget. We expect House Republicans to make their plan a significant point of negotiation with the budget.

Legislative Policy Initiatives

•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.

•Partnership Model

- MI Home program incentivizes local governments to update local zoning and doing so would make developers in their community eligible for grants and loans for housing.

•Revenue Sharing Trust Fund (SB 559, 561, 912)

- Earmark sales tax revenue and restrict those funds into the Revenue Sharing Trust Fund for local governments.

What's Next

•Budget Adoption

- Michigan has a constitution deadline to adopt the state budget of October 1st. There is also a, self-imposed, statutory deadline of July 1st, although there are no consequences if the statutory deadline is not met.

•Primary & General Elections

- The primary election will be 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.

•Lame Duck?

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

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 & Citizen Voting.



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Questions?

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