



Local Government Advisory Team (LGAT)  
October 17, 2022 Report

1. **Legislative Update** by Aaron Keel and Peter Morman

Legislators will be entering the Lame Duck session soon and the Department of Treasury is monitoring a number of bills that may impact Treasury and local units of government (LUG).

Items specifically discussed were:

- a. *Disabled Veterans Property Tax Exemption*: Approved through the House and Senate, this went to the Governor's desk in a bill package combined with other income tax changes, and the package was vetoed. There is continued interest in the House and Senate and it will be revisited. Treasury continues to discuss 1) the cost and 2) preparation for implementation upon fruition of this initiative. The annual cost is estimated at approximately \$70M. MAC and MTA, respectively, commented on 1) county equalization departments have been asked for accurate estimates on cost and equalization/finance departments have been asked about ideas to help administrate with consensus this can be accomplished; 2) ensuring everyone is discussing the same proposal and suggested a working group on the issue. Tony Meyaard, President of the Michigan Association of Equalization Directors, mentioned the opportunity for a BS&A export from local assessors for the information needed by the STC.
- b. *Housing Coalition*:  
This initiative advances tax abatements on work-force housing. Treasury is neutral on Senate Bills [362](#) and [422](#), which deal with rehabilitation of rentals, and Senate Bill [364](#), which expands neighborhood enterprise zones aimed at work-force housing.

Other legislative items mentioned, but not largely detailed, were:

- a. *Payment in lieu of taxes for large-scale solar projects*:  
Senate Bills [1106](#) and [1107](#); Treasury is supportive.
- b. *Early warning system regarding local fiscal stress*:  
Senate Bill [780](#); productive discussions but nothing expected in 2022. Bill(s) expected in 2023 which are reflective of discussions to date.
- c. *Personal Property Taxes*:  
House Bill [807](#) regarding late filing of EMPP and creates deadline for 2021.  
Senate Bills [1060](#), [1061](#), [1062](#), related to the small business PPT reimbursement to LUGs, are not fully through the Legislature; however, funds have been appropriated for their passage.
- d. *Designated Assessor*:  
House Bill [5329](#) allows a county to opt out of declaring a designated assessor.

2. **Treasury Update** by Jessica Thomas

Treasury continues to work on continuous improvement initiatives with a focus on reducing duplicative reporting. Staff has done an in-depth analysis to reduce redundancy in reporting



2. **Treasury Update** by Jessica Thomas - continued

requirements and are developing a calendar for reporting, similar to other calendars such as STC's. The next phase will involve focus groups for input and Treasury will reach out to stakeholders.

Treasury Grant Programs:

- a. **XBRL Program**: This initiative aims at the modernization and digitization of municipal financial reporting. Feasibility study is being completed by September 30, 2023; stakeholders identified and being contacted within the next two weeks with a schedule. An overview is available on the [U of M Record site](#). Treasury foresees other reports on their ELITE system migrating to the XBRL format.
- b. ***Municipal Pension Grant Program***:  
This program will direct funding to Municipal Defined Benefit Retirement Plans which are under 60% funded. Treasury is completing the FAQ's and updating the webpage specific to this program which should be complete in late October. Qualified unfunded pension amounts will be included with input or feedback on data requested by January from LUGs. Applications will be due to the Treasury by June 15, with disbursements August 1-30.
- c. ***Firefighting Equipment Grant Program***:  
This program will be specific to equipment needed, Treasury is still conducting stakeholder engagement and website will be updated with information.

Also noted, EGLE's [Clean Water State Revolving Fund](#) Intent to Apply is due November 1, 2022.

3. **State Tax Commission** by Dave Buick

In September, STC updated guidance on Principal Residence Exemptions and reviewed the Qualified Heavy Rental Equipment form. There will be a meeting in November to forecast any needed CAMA data standards revisions for December.

4. **Multi-Year Budget Projection Tool** by Rod Taylor

Michigan is providing budget forecasting tools similar to states like Pennsylvania. The information is [online](#). While the beta testing for this initiative has passed, Treasury is still looking for feedback on the tool. Feedback should be addressed to [TreasLocalGov@michigan.gov](mailto:TreasLocalGov@michigan.gov).

5. **Roundtable Discussion** facilitated by Larry Steckelberg

Joe Snyder was recognized and thanked for his involvement in LGAT, as the first member representing MGFOA since LGAT's inception. Joe will continue as a resource to the LGAT and Beth Friend, designated as incoming MGFOA representative.

**Next Meeting Date: January 23, 2023**

Submitted by Beth Friend, representing the MGFOA

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