

# MSHO UPDATES FROM THE CAPITAL

December 6 - 31st, 2025

McCALL  
HAMILTON  
Advocacy & Public Affairs

## UPCOMING EVENTS

### **Wednesday, December 24th, 2025**

Christmas Break (Office Closed 12/24 - 12/26)

### **Wednesday, December 31st, 2025**

Happy New Year (Office Closed 12/31 - 1/1)

### **Wednesday, December 31st, 2025**

January Quarterly PAC Period Closes (Reports due 2/2/2026)

### **Wednesday, December 31st, 2025**

Winter Lobby Disclosure Period Ends (Reports due 2/2/2026)

## **UNEXPECTED HOUSE ACTION SHIFTS SPOTLIGHT TO WORK PROJECT FUNDING**

The Senate's plan to finish the year with a strong focus on their economic development package was thrown off course last week when Republicans in the House Appropriations Committee disapproved nearly \$645 million in previously appropriated work project funding (\$351.5 million General Fund). Work projects are requests by the State Budget Office to carry forward funding from the previous fiscal year and allow those dollars to be utilized for the original purpose over a 48-month period. In previous years, work project appropriations generally continued until completion or lapse of funds. This year, however, the House Appropriations Committee unexpectedly disapproved of a number of work projects, allowing the funds to lapse back into the state's General Fund. The unprecedented move was almost entirely along party lines, with just one committee Republican, Representative Ron Robinson (R-Utica), joining Democrats in voting no. The resulting vote was 16-9 in favor of the decision.

The Senate responded by holding a two-hour committee hearing in the Senate Appropriations Committee, where testimony was heard by affected recipients. Following the hearing, the Senate introduced a substitute into House Bill 4576, adding a \$633 million supplemental spending bill that would restore much of the work project funding. The bill passed 23-15, with five Republican Senators joining the Democrats in voting in favor of the supplemental. The five Republicans include Jon Bumstead (North Muskegon), John Damoose (Harbor Springs), Mark Huizenga (Walker), Ed McBroom (Waucedah Township), and Michael Webber (Rochester Hills).

HB 4576 is now available to be voted on by members of the House. If the House does decide to place the bill on its agenda, it will not be until January at the earliest, when the legislature reconvenes for session in the new year.

## **ECONOMIC DEVELOPMENT BILLS PASS SENATE**

The Michigan Senate recently approved SB 723 with bipartisan support. If successful, this bill would increase the total tax capture cap from \$1.6 billion to \$3.5 billion, set new limits on individual projects, and update eligibility criteria under the Brownfield Redevelopment Financing Act. It also adds new transparency requirements, including enhanced reporting and a searchable database of approved projects, and directs a portion of additional tax capture toward housing, child care, small business, and placemaking programs. The legislation passed 20–13 and has been transmitted to the House for consideration.

The Senate also passed two related bills aimed at strengthening long-term economic planning in the state. SB 213 and SB 214 would create a Strategic Advisory Board within the Michigan Strategic Fund. The board will take on the task of developing a 10-year statewide economic development plan. Once completed, the plan would be updated annually by the Michigan Economic Development Corporation (MEDC). Both bills similarly passed the Senate 20–13 vote before being received by the House.

Separate legislation to revive a modified version of the Good Jobs for Michigan program has also been proposed by Sen. Sam Singh (D-East Lansing). SB 472 and SB 473 were reported unanimously by the Senate Regulatory Affairs Committee and would restart the incentive program, which expired in 2019, with updated requirements related to job creation and wage standards. The bills include additional eligibility and compliance provisions and are intended to help the state's economic development strategy. Discussion between the House and the Senate on the bills are expected to continue into the new year.

## **GOVERNOR WHITMER ELECTED AS VICE CHAIR OF THE DEMOCRATIC GOVERNORS ASSOCIATION**

At the 2025 annual meeting for the Democratic Governors Association (DGA), our very own Governor, Gretchen Whitmer, was unanimously elected to serve as vice chair. DGA is a political organization that lends support to Democratic gubernatorial candidates and fellow governors.

The organization has tasked Whitmer with aiding key Democratic candidates in their 2026 gubernatorial campaigns nationwide. As Governor of a swing state, Whitmer stated that she intends to apply the same approach that she used here in Michigan: focusing on lowering costs and creating jobs. She will serve alongside DGA chair-elect Democratic Kentucky Governor Andy Beshear, who succeeded her as vice chair prior to Whitmer's appointment.

## **FEDERAL COURT DECIDES SNAP BENEFITS ARE PROTECTED**

The U.S. District Court for the District of Oregon has issued an order extending the grace period for implementing new SNAP benefits distribution rules. This extension prevents the federal government from imposing financial penalties on states and allows SNAP programs to continue operating as the case moves forward. Michigan Attorney General Dana Nessel joined 21 other state attorneys general in the lawsuit back in November.

## **SENATE FISCAL AGENCY RELEASES NOVEMBER MONTHLY REPORT**

Revenue collections from major taxes and lottery were slightly higher than expected for November, according to a recent November Revenue Report released by the Senate Fiscal Agency (SFA). Compared to November last year, the revenue totals reached \$3.0 billion and are up 3%. Revenue from the State Education Tax (SET), individual income tax (IIT) withholding, and Michigan Business Tax (MBT) all came in higher than expected. Net income tax revenue and sales tax revenue were also elevated compared to last year, up 8.3% and 3.6%, respectively. However, net revenue from the repealed Single Business Tax, Michigan Business Tax, and Corporate Income Tax (CIT) collections were collectively 47% lower than last November.

Still, collections to the General Fund came in \$95.8 million over expectations. The School Aid Fund also came in at \$44.1 million above projections. Because November is the first month for tax collection for the fiscal year, these figures also represent the year-to-date actual vs predicted revenue.

## **MICHIGAN'S MINIMUM WAGE SET TO INCREASE**

As we enter the new year, we will also begin seeing new wages in Michigan, according to the state's Improved Workforce Opportunity Wage Act. Michigan's minimum wage is set to increase from \$12.48 to \$13.73 per hour. Tipped employees, who receive 40% of the minimum wage, will see their hourly minimum wage increase to \$5.49 per hour, assuming the employee exceeds the \$8.24 tip threshold.