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# Great Lakes Water Authority

State of Michigan Legislative Update

Carson Gatt

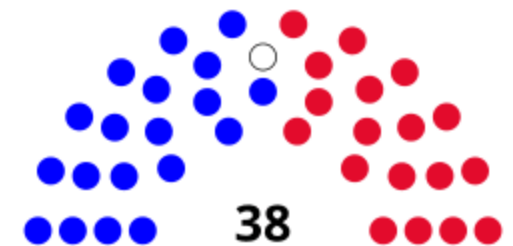
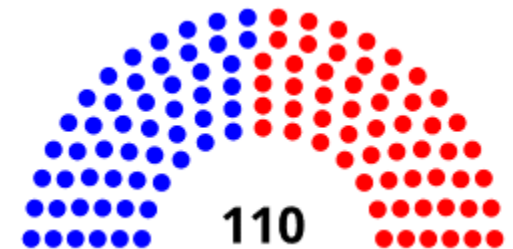
Government Policy Advisor

December 10, 2025

# 2025 Recap

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- November 2024 Election Results—House majority flips
- Session began with the Michigan Senate filing a lawsuit against the House over the presenting of nine bills from the previous Legislative Session
- House heavily focused on oversight and transparency
- Record low number of Public Acts (35)
  - Previous low number was 89 in 1856
- FY2026 Budget Complications

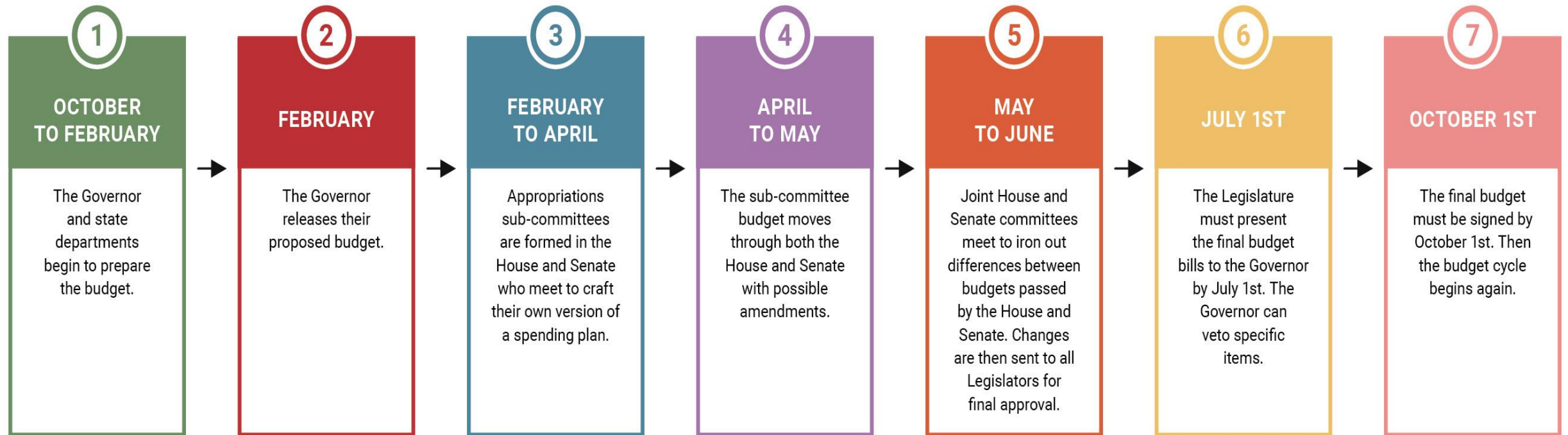


# State FY2026 Budget Highlights

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- This budget season unfolded did not follow the typical budget cycle timeframe
- Road funding a top priority for the Speaker and Governor
- Put significant constraints on state General Fund (GF) revenues
  - All taxes paid at the gas pump going towards roads
  - Investing in local/county roads
  - Passed a 24% wholesale tax on marijuana to raise some additional revenue
- EGLE Budget
  - 35% reduction (over \$90 million) in GF funding compared to last year
  - \$34 million for SRF funds changed from ongoing to one-time
  - Overall reductions from FY25 in water infrastructure programs/projects

# STATE OF MICHIGAN BUDGET CYCLE



# Legislative Directed Spending Items/Earmark Process

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- HB 4420 & SB 596 (PAs 32 & 33 of 2025)
  - Sets requirements for Michigan lawmakers to follow when directing state money to specific local projects or organizations
  - Requests must be posted publicly 45 days prior to a final vote
  - Disclosure of sponsoring legislator's name, intended grant recipient, amount requested, public purpose, and more
  - Defines what an LDSI is, guidelines on who can get the money, and a timeline for requests.



# Water Infrastructure Bonding Proposal

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- According to the EPA, over the next 20 years, Michigan will need a \$13.8 billion investment in our drinking water infrastructure.
- Per Section 15, Article IX of the Michigan Constitution, “*The state may borrow money for specific purposes in amounts as may be provided by acts of the legislature adopted by a vote of two-thirds of the members elected to and serving in each house, and approved by a majority of the electors voting thereon at any general election. The question submitted to the electors shall state the amount to be borrowed, the specific purpose to which the funds shall be devoted, and the method of repayment.*”
- Timeline
  - 2026: Two-thirds adoption by both chambers to put proposal on ballot
  - 2028: Bond proposal would be placed on the ballot for approval by majority of Michigan voters



# Thank You!

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