

Act No. 27
Public Acts of 2025
Approved by the Governor
October 7, 2025
Filed with the Secretary of State
October 7, 2025
EFFECTIVE DATE: October 7, 2025

**STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025**

Introduced by Senator Anthony

ENROLLED SENATE BILL No. 565

AN ACT to amend 2000 PA 489, entitled “An act to create certain funds; to provide for the allocation of certain revenues among certain funds and for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials,” by amending section 3a (MCL 12.253a), as added by 2023 PA 174.

The People of the State of Michigan enact:

Sec. 3a. (1) The local government reimbursement fund is created in the state treasury.

(2) The state treasurer shall deposit money and assets received under section 21(7) of the use tax act, 1937 PA 94, MCL 205.111, or from any other source in the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) Money in the fund at the close of the fiscal year does not remain in the fund and lapses to the general fund.

(4) The department of treasury is the administrator of the fund for audits of the fund.

(5) The department of treasury shall expend money from the fund, upon appropriation, only for the purpose of compensating municipalities as described in this subsection. Subject to subsection (6), on or before May 31, 2024, and on or before May 31 of each year thereafter, the department of treasury shall compensate municipalities for the revenue lost during the immediately preceding property tax year as a result of exemptions claimed under section 90(2)(b) of the general property tax act, 1893 PA 206, MCL 211.90, as determined by the department of treasury.

(6) If the money in the fund is insufficient to fully compensate all municipalities that lost revenue as described in subsection (5), payments from the fund must be prorated amongst those municipalities.

(7) As used in this section:

(a) “Fund” means the local government reimbursement fund created in subsection (1).

(b) “Municipality” means that term as defined in section 5 of the local community stabilization authority act, 2014 PA 86, MCL 123.1345.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor