ACEC/MICHIGAN LEGISLATIVE UPDATE

At-a-Glance Status Chart | Summer Legislative Break — July 2026

The Michigan House and Senate completed the FY 2027 budget on July 3 after an all-night session and are adjourned until Wednesday, July 29. Governor Whitmer signed both omnibus budgets and a six-bill housing package into law on July 21. Information current as of July 30, 2026. Bill numbers are hyperlinked to official bill pages.

FY 2027 STATE BUDGET — TRANSPORTATION HIGHLIGHTS (SB 878 CONFERENCE REPORT)

- **A continuation budget with a net increase — while nearly every other budget was cut:** The FY27 transportation budget continues FY26 programming with a gross appropriation of $8.12 billion, a net increase of $226.7M (+2.9%). The net figure reflects a $592.7M (+10.9%) increase in state restricted revenue — driven by the adjusted gas tax, the Corporate Income Tax earmark, and the Wholesale Marijuana Tax from the October 2025 Transportation Funding Package — partially offset by a $366.2M reduction in total federal aid authorization.
- **Local federal aid: an apparent cut that isn't one:** The former $429M local federal aid direct line item no longer appears in Part 1 — it is now carried in Part 2 boilerplate (Sec. 401), which requires MDOT to continue administering the local federal aid program in accordance with Section 10o of 1951 PA 51. While the change can look like a reduction in local federal aid on paper, the program continues — business as usual for local road agencies.
- **Neighborhood Roads Fund protected:** Boilerplate prevents lapsed NRF funds from reverting to the General Fund and directs distribution to the Local Grade Separation Fund, CTF, Infrastructure Projects Authority Fund, and STF.
- **Local road funding up sharply:** MTF/NRF distributions rise $221.2M for county road commissions (to ~$2.0B) and $122.5M for cities and villages (to ~$1.1B) — $343M more in local road funding overall, reflecting the full-year impact of the October 2025 Transportation Funding Package. The Governor's office puts total road funding at $3.1B, supporting an estimated 30,500 construction jobs annually.
- **Bridge bundling limits (Sec. 303):** Local agency program bundles capped at 5 bridges, confined to a single MDOT region or contiguous counties, with no bidder qualification requirements beyond standard prequalification (no RFQs, SOQs, or shortlisting).
- **Design and Engineering Services:** Conference concurred with the Executive — a $6.7M increase supporting ITS operations and shared traffic signal costs; the House's proposed $53.9M STF cut and 171.3 FTE reduction were rejected.

FY 2027 STATE BUDGET — ADDITIONAL ITEMS OF MEMBER INTEREST (EGLE, DTMB, LARA, DNR)

- **Water State Revolving Funds cut $270M:** EGLE's SRF appropriation for low-interest sewage, stormwater, and drinking water infrastructure loans was reduced by $270M in federal IIJA authorization, and FY26 one-time funds ($17.4M lead service line replacement; $34M one-time SRF GF/GP) were removed. EGLE's gross budget falls 30.6% to $671.4M — a preview of the stakes in the September 30 federal water reauthorization deadline.
- **All proposed environmental fee increases REJECTED:** Conference declined the Executive's 300% increase in land/water permit fees (and 40% water fee increase), the landfill tipping fee jump ($0.36 to $5.00/ton), the doubling of hazardous waste fees, and the oil and gas well permit increase — no new state permitting fee burden on projects in FY27.
- **Dam safety reinforced in boilerplate:** Sec. 232 (EGLE) was revised to authorize an additional $4.0M in settlement fund revenue for dam safety emergencies, and Water Resource Programs — home to the Dam Safety, floodplain, and wetlands permitting functions — gains 4.0 FTE positions funded by a permit-fee revenue swap.
- **Permitting accountability (echoes the House reform package):** New Sec. 258 requires EGLE to discount permit fees when it misses processing deadlines; revised Sec. 238 requires reporting of permits approved within 30/60/90 days, 6 months, and 1 year of administrative completeness; new Sec. 257 requires permitting guidebook updates.
- **New $5.0M renewable energy and electrification infrastructure grant program:** Sec. 1006 (LARA) creates an MPSC-administered grant program for renewable energy and electrification infrastructure enhancement and development, requiring applicant impact studies (admin costs capped at $125,000).
- **State facilities and capital outlay tightened:** State Facilities Special Maintenance reduced $2.0M (from $24M, covering ~800 buildings and 5,000 structures); conference adopted the House position on State Building Authority debt financing — adding only $83,900 for projects nearing completion and no funding for new projects without legislative construction authorization.
- **Local infrastructure grant proposals dropped, but earmarks survive:** The Senate's $8.0M Municipal Infrastructure Grant Program (facilities 50+ years old) and $10M Competitive Community Infrastructure Grants were not included. However, the Sec. 1006 legislatively directed spending list (Article 9) funds numerous local projects — including Escanaba road

infrastructure ($2.0M), Mount Clemens sewer ($2.0M), Macomb County stormwater improvements ($2.0M), Delta Township reconstruction ($1.5M), Barton Hills water ($790K), and Redford water infrastructure ($750K).

- **Other items:** $800K one-time to support Beyond Visual Line of Sight (BVLOS) drone infrastructure under Executive Directive 2025-4 (reduced from the $4.0M Executive request); DNR receives +$12.05M in capital outlay for state parks repair, trails, and wetlands restoration, plus $1.0M for state game/wildlife area infrastructure and $900K for fisheries infrastructure; the Michigan Geological Survey at WMU continues with $2.7M in one-time funding; and $1.0M is added for lifecycle replacement of the MPSCS emergency radio system serving 2,600+ public safety agencies.

STATE LEGISLATION — SIGNED INTO LAW / SENT TO THE GOVERNOR

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
SB 878 **(CR-1)**	FY 2027 General Omnibus Budget	**SIGNED July 21 — PA 21**	**Monitoring**	Signed with no line-item vetoes, though the Governor declared certain boilerplate unenforceable (including a provision limiting agency spending when work project funds are available). Totals $75.2B in topline state spending — $52.3B for general government ($12.9B General Fund) — with no new taxes or fees and the rainy-day fund preserved; with federal funds carried in boilerplate, total spending is expected to approach $86B. Transportation was one of only two budgets not cut; it received an increase, including $52.7M additional for roads and bridges and a $123.8M increase for transit and rail (see highlights above). Note: a Citizens Research Council analysis contends appropriations may exceed available revenue by $600-900M, leaving the 2027 Legislature roughly $500M over General Fund projections absent corrective action; the Governor maintains the budget is balanced.
HB 5630 / SB 903	FY 2027 School Aid Budget & Weighted Funding Formula	**SIGNED July 21 — PA 25 / PA 22**	**Monitoring**	The ~$22.9B education budget (K-12, universities, and community colleges) raises the foundation allowance from $10,050 to $10,300 per pupil, continues universal school meals (~$201.6M), makes a $500M literacy investment centered on LETRS/science-of-reading training (including a $75M educator phonics training fund), adds $50M for after-school tutoring, and stabilizes enrollment counts with three-year averaging. Companion SB 903 codifies a weighted funding formula requiring at-risk funding to grow at double the rate of any foundation allowance increase; at-risk and bilingual learner funding rises 20% in FY27.
HB 5570 / HB 5571	Single Stair Legislation	**SIGNED July 21 — PA 28 / PA 29**	**Engaged — Opposed 6-Story Version**	HB 5570 (Fairbairn) allows a single interior exit stairway in multi-family dwellings up to 4 stories, subject to strict fire protection, alarm, sprinkler, and 48-inch stairway width conditions; HB 5571 (Wooden) extends the allowance to five-level buildings meeting the same conditions. Includes a last-minute LARA amendment tying the NFPA 13 sprinkler standard to the edition adopted in the Michigan Building Code (avoiding conflicts as the 2024 IBC is adopted). The 6-story version was successfully defeated. Supporters estimate the reform can cut construction costs by up to 13% for smaller apartment buildings.

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
HB 5806 / HB 5807 / SB 966	Affordable Housing Tax Credits	SIGNED July 21 — PA 30 / PA 31 / PA 23	Monitoring	HB 5806 (Grant) allows qualified investors in eligible low-income housing projects to claim a nonrefundable state income tax credit beginning in 2027 (10-year carryforward); HB 5807 (Aragona) extends the credit to out-of-state insurers via the retaliatory insurance tax. SB 966 (Irwin) sets aside $100M annually in MSHDA-distributed credits for affordable housing developers. The package is expected to support roughly 2,500 new affordable homes per year; MSHDA aims to bring the programs to its board in October, with first funding rounds possibly as early as November. Expect increased site development, civil, and municipal engineering activity.
HB 6074	Institutional Investor Home Purchase Ban	SIGNED July 21 — PA 32	Monitoring	Bars for-profit entities that control more than 100 single-family homes in Michigan from purchasing more, with civil fines of up to $25,000 per home acquired in violation. Framed as a preventative measure against institutional buyers squeezing families out of the housing market.
SB 723	Transformational Brownfield Revival	SIGNED July 21 — PA 36	Monitoring	Revives the transformational brownfield program for large redevelopment projects on blighted properties — allowing approved projects to capture up to $3.2 billion statewide in future tax revenue (income tax withholding and sales taxes) to fund redevelopment costs, with new job-creation safeguards, affordability, transparency, and accountability requirements, plus caps on tax capture and project participation. Effective July 22, 2026.
SB 721 / SB 722	Commercial Rehabilitation & Tax Abatement Extensions	SIGNED July 21 — PA 34 / PA 35	Monitoring	SB 721 (Moss) extends the commercial property tax abatement program through 2035 and allows applicants to correct errors without losing the original certificate's effective date; SB 722 (Cavanagh) extends the commercial rehabilitation property tax exemption through 2035 and allows certificates to last up to 12 years. Useful redevelopment tools for aging commercial properties, complementing the brownfield programs. Effective July 22, 2026.
SB 71	Mackinac Bridge Trespassing Penalties	SIGNED July 21 — PA 64	Monitoring	Sponsored by Sen. Damoose (R-Harbor Springs), makes trespassing in restricted areas of the Mackinac Bridge a felony punishable by up to four years in prison, a $2,500 fine, or both — strengthening security protections for one of Michigan's most critical infrastructure assets. Relevant to firms performing authorized bridge inspection, maintenance, and engineering work, which requires proper coordination with the Mackinac Bridge Authority. Effective July 23, 2026.
SB 52	Port Authority Financing Expansion	SIGNED July 21 — PA 77	Monitoring	Sponsored by Sen. Geiss (D-Taylor), expands the Detroit/Wayne County Port Authority's ability to issue bonds and pursue broader development — including tourism, housing, and entertainment uses — strengthening a financing tool for port and waterfront infrastructure. Relevant to firms in marine, civil, and waterfront development work. Effective July 27, 2026.
HB 5995	Automated Enforcement — Work Zones & School Buses	SIGNED July 21 — PA 66	Monitoring	Prevents points from being added to a driver's record for certain construction-zone speeding and school bus passing violations caught by automated cameras; fines still apply. Relevant to MDOT's work zone safety camera program and active project sites. Effective July 23, 2026.

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
HB 4415	County Road Commission Purchasing	SIGNED July 21 — PA 91	Monitoring	Raises the threshold below which county road commissions may make purchases without competitive bidding from $15,000 to $75,000, and increases the vehicle-weight threshold from 5,000 to 10,000 pounds. Effective July 27, 2026.
SB 729	State Building Authority Bond Cap	PASSED Both Chambers — Pending Enrollment	Monitoring	Exempts $421.3M in State Building Authority bonds issued in June 2025 from counting against the authority's $2.7B debt cap, raising available capacity to $3.12B — supporting continued state facility construction and renovation.
HB 4062, 4063, 4064	Government Ethics / Lobbying Restrictions	SIGNED July 21 — PA 74 / PA 75 / PA 76	Monitoring	Two-year post-service lobbying ban for legislators (HB 4062) and for department directors, governors, and lieutenant governors (HB 4063) whose terms begin in 2027 or later; HB 4064 bars sitting legislators from receiving outside compensation to lobby. PA 74 and PA 75 took effect July 27, 2026; PA 76 takes effect January 1, 2027.

STATE LEGISLATION — PASSED ONE CHAMBER, AWAITING FINAL ACTION

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
HB 5485 / SB 947	Dam Safety Modernization	PASSED First Chamber July 2 — Held Under Five-Day Rule	Monitoring	Major movement: both bills passed their first chambers as part of the end-of-session House-Senate deal and now must sit in the opposite chamber under the five-day rule. Would overhaul Michigan's dam safety framework — dam owner registration, safety/inspection/asset management plans, stronger oversight, and new funding and grant programs for high-risk dams. ~2,500 dams statewide; EGLE estimates ~$1B in needed upgrades. Significant PE opportunity in assessments, EAPs, hydraulic analysis, and rehabilitation. Final passage expected when session resumes.
SB 898 / SB 899	Brownfield Grant & Loan Program	PASSED Senate June 17 (29-9) — To House	Monitoring	Passed the Senate on a bipartisan 29-9 vote with an S-1 substitute. Creates a new EGLE-administered Brownfield Redevelopment Grant and Loan Program for local units of government — grants and loans of up to $2M per project for environmental assessments, remediation, and other response actions to prepare contaminated properties for redevelopment, with added flexibility for projects showing significant economic or environmental benefits. Eliminates the one-project-per-community cap. Now awaits House action.
HB 5710 / HB 5711	Energy Standards Rollback / Integrated Resource Planning	Passed House May 12 — Stalled in Senate	Monitoring	Passed the House on near party-line votes (58-47 and 57-48) and was referred to Senate Government Operations. The package would require utilities to consider all energy sources in integrated resource planning — and would also roll back the 100% clean energy by 2040 standard, the 60% renewable standard by 2035, and energy waste reduction requirements. Senate Majority Leader Brinks has said there is no chance either bill receives a Senate vote, so the package is effectively stalled; the underlying grid capacity debate (data centers, EVs, electrification) continues.

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
HB 4774	Qualifications-Based Selection (QBS)	In Senate Committee	SUPPORT — Top Priority	ACEC/Michigan's top legislative priority. Passed the House in December 2025; awaiting action in Senate Regulatory Affairs. Would require QBS for state architectural, engineering, and surveying contracts. Continue engaging your senators.
HB 5872–5880 ("HELP UP")	Tax Restructuring / Services Tax	In Senate	OPPOSE	Passed the House 57-46. Would cut property taxes over $3.1B (School Aid Fund, FY27) with replacement revenue from a new excise tax on services — potentially including engineering, architecture, and consulting. The entire package is tie-barred to the unpassed services tax bill (HB 5880). ACEC/Michigan strongly opposes any tax on professional design services.
HB 5536, 5557, 5501, 5498	Wetlands, Air Quality & Permitting	Passed House — To Senate	Monitoring	Near party-line votes. Narrows the regulated wetland definition to align with the federal Sackett standard, creates expedited wetland mitigation review, requires longest allowable emissions averaging periods, and requires permit-issuing departments to assign staff by industry subject area.
HB 4079 / HB 4080	Dam Special Assessments	Awaiting Senate	Monitoring	Passed the House with strong bipartisan support. Expands special assessments to dam construction/reconstruction and allows deferred payments for seniors and disabled homeowners.

STATE LEGISLATION — IN COMMITTEE / PENDING WHEN SESSION RESUMES

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
SB 771	Statewide Septic Code	Pending in Senate	Monitoring	Would create Michigan's first statewide sanitary code for ~1.3M septic systems (20-25% estimated failing), a statewide database, EGLE standards within 3 years, and risk-based inspections. Major potential for environmental and municipal engineering work.
SB 950 / SB 951	Michigan Water Trust Fund	Pending in Senate Committee	Monitoring	25-cent-per-gallon royalty on bottled water withdrawals, generating an estimated $300M annually for lead service lines, stormwater/flood resilience, well remediation, and onsite wastewater.
HB 5033 (H-1)	School Construction PE/Architect Threshold	Reported from Committee June 25 — On House Floor (Second Reading)	WATCH	House Regulatory Reform reported the bill with an H-1 substitute that substantially narrows the original proposal: the licensure exemption threshold for school construction, reconstruction, or remodeling rises from $15,000 to $500,000 — not the $5,000,000 as introduced — with annual CPI-U adjustments by the State Treasurer beginning January 1, 2027. Projects under the threshold must still submit plans to the Bureau of Fire Services and the Superintendent of Public Instruction for review and approval. The bill now awaits action on the House floor. Members should evaluate whether an indexed $500,000 exemption appropriately preserves professional design oversight of school projects.
Housing/Zoning Package (HB 5584, 5529, 5530, et al.)	Density & Land Use Reform	House Committee — No Vote	Monitoring	Duplexes in single-family zones, 1,500 sq ft minimum parcel limits with public utilities, ADUs. Raises real questions on water/sewer/stormwater capacity; would drive demand for infrastructure adequacy assessments.

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
PFAS Package (9 bills)	PFAS Exposure & Accountability	**Pending House Leadership**	**Monitoring**	Farm remediation aid, PFAS bans in cosmetics, right to sue manufacturers. Separately, EGLE will update drinking water MCLs to at least the federal 4 ppt PFOA/PFOS standard by 2026, enforceable 2029 — significant treatment and remediation demand ahead.
HB 5932–5938, 5716	State Permitting Reform Package	**Advancing — Construction Bills Reported from Committee June 4**	**Monitoring**	The construction-permit bills (HB 5932-5935, LARA) were reported from committee in early June: 7-day completeness checks, 10-15 business-day final decisions, full fee refunds for missed deadlines, denials requiring explicit statutory citations, and a ban on re-reviews or altered requirements during post-issuance modifications. The environmental bills (HB 5936-5938, EGLE) received committee testimony: the completeness review window drops from 30 to 7 days, strict timelines apply to wetland and wastewater hearings, and EGLE is barred from revisiting approved terms during subsequent modifications.
HB 5702–5704	Work Zone Worker Protections	**House Judiciary — No Vote**	**Monitoring**	Broadens "work zone" definition to cover debris removal and maintenance crews; 15-year felony for a moving violation killing a road worker; uniform stationary-vehicle passing standard.
HB 5767 / HB 5768	Work Zone Safety Driver Education	**Reported from Committee June 16 — On House Floor**	**SUPPORT**	Reported from the House Transportation and Infrastructure Committee. Beginning January 1, 2027, HB 5767 requires driver education participants to complete a 30-minute work zone safety course (developed with MDOT, delivered online or in person); HB 5768 extends the requirement to all operator's license applicants, including commercial licenses. The bills are tie-barred. Michigan saw ~6,000 work zone crashes in 2025, including 24 fatal crashes.
HB 5577	State Plane Coordinate System Modernization	**Pending**	**Monitoring**	Updates Michigan's geospatial framework — key for surveying, mapping, and design consistency. Of particular interest to MSPE surveying members.
HB 5899	AI Governance Board & Pilot	**House Committee Discussion**	**Monitoring**	Three-member AI board, 180-day state pilot, and oversight fund. Watch for emerging questions on PE responsibility and sealing of AI-assisted work.
Drone Package (HB 5329, 5331, et al.)	UAS Regulation	**Mixed Progress**	**Monitoring**	Only HB 5329 and HB 5331 (state fund restrictions on certain drone purchases) have advanced out of the 15-bill package. Restrictions could affect bridge inspection, survey, and mapping workflows.
HB 6037	Local Federal Aid Buyout Program	**Newly Introduced**	**Monitoring**	Would move the Buyout Program up MDOT's MTF priority list to prevent future suspension and increase funding from $45M to $50M. A CRA legislative priority.

OTHER STATE DEVELOPMENTS

- **June revenue up 3.1% — collections running ahead of estimates:** Per the Senate Fiscal Agency's monthly report, June revenue to the state's major taxes and lottery totaled $3.4B — up 3.1% over the previous year and $163M above the May consensus revenue estimates, with General Fund collections $112.9M and School Aid Fund collections $39.4M above expectations for the month. Fiscal year to date, the General Fund is running $384M ahead of the May 2026 estimate and the School Aid Fund $112.2M ahead. Combined sales and use tax receipts of $1.2B beat estimates by $73.4M (use tax up 17.3% year-over-year; sales tax down 1.9%, largely reflecting the new motor fuel sales tax exemption, but still $53.5M above expectations), and net business tax revenue of $333M ran 12.8% ahead of last year and $109.7M above projections. The one soft spot: individual income tax collections came in about $25M short of projections on weaker-than-anticipated payroll withholding. On balance, a stronger-than-projected revenue base is welcome news for the infrastructure programs funded in the FY27 budget.

- **Presentment dispute resolved — all nine bills vetoed:** The Michigan Supreme Court declined to hear an appeal in the long-running dispute over nine bills from the 2023-24 legislative session, allowing them to be transmitted to Governor Whitmer. Hours later, the Governor vetoed all nine, citing the administrative and fiscal challenges of implementing legislation retroactively after statutory deadlines had passed and budgets had been finalized. The vetoes drew sharp criticism from Democratic lawmakers and labor organizations that had supported the legislation.
- **Line 5 tunnel permits reissued:** EGLE and DNR reissued permits for Enbridge's Line 5 tunnel project beneath the Straits of Mackinac, with additional conditions to protect wetlands, Tribal cultural resources, threatened species, and wildlife habitats. The project still requires U.S. Army Corps of Engineers approval and faces a pending legal challenge before the Michigan Supreme Court. Supporters cite energy reliability and economic benefits; opponents continue to raise environmental and Tribal sovereignty concerns.
- **Gordie Howe International Bridge opens July 27:** The bridge is scheduled to open to traffic following a U.S.-Canada agreement on toll governance, transparency, and regional investment. The countries will establish a 15-year economic development fund financed by a portion of bridge operating profits, and the Windsor-Detroit Bridge Authority will work with U.S. officials on future toll-rate adjustments.
- **New House testimony portal launches August 3:** Beginning August 3, committee testimony and position cards must be submitted through the Michigan House website or in person at committee meetings — email submissions will no longer be accepted. Online access opens once a committee meeting notice and agenda are posted. Members and firms that engage in committee advocacy should adjust their processes accordingly.

FEDERAL LEGISLATION & ADVOCACY

Congressional Calendar — Recess Squeeze on the September 30 Deadlines: Per the updated congressional calendar released June 30 (CQ Roll Call, from the offices of House Majority Leader Scalise and Senate Majority Leader Thune), the window before the twin September 30 deadlines is unusually tight in this midterm election year. The House is now in recess through August, returning for only a brief session from August 31 to September 3 before breaking again for Labor Day. The Senate remains in session through August 7, then takes its summer break from August 8 to September 13. Both chambers are back in mid-September — and then out for nearly all of October ahead of the November 3 midterm elections.

Practical effect: with the House in recess, the two chambers do not overlap in Washington again until September 14 — leaving roughly two and a half shared legislative weeks before September 30. House and Senate committee leaders have now publicly acknowledged that a short-term extension of expiring transportation programs will be necessary; the advocacy fight has shifted to what that extension sustains (see the IIJA Expiration row below).

Bill(s)/Issue(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
BUILD America 250 Act (H.R. 8870)	Surface Transportation Reauthorization	**Committee-Approved — Floor Vote Expected This Fall**	**SUPPORT (ACEC National)**	Cleared House T&I 62-2 on May 22 after a 14-hour markup (180+ amendments). Five-year, $580B bill (~$474B in contract authority; ~4% above IIJA; ~3.4% average state formula increase). ACEC defeated amendments that would have mandated cost-comparison studies on A/E contracts over $100K and required public employees to perform CE&I work. The House entered its August recess without holding the floor vote, and Senate committees have not yet produced bill text — so committee leaders now acknowledge a short-term extension will be needed while negotiations continue on the long-term bill (see IIJA Expiration row). ACEC's grassroots alert remains live — contact your Representative in support of floor action this fall.

Bill(s)/Issue(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
IIJA Expiration	Highway & Transit Authorization	**Deadline: Sept. 30 — Short-Term Extension Expected**	**Support Full Reauthorization**	Current FHWA program authority expires September 30, and committee leaders in both chambers have publicly acknowledged a short-term extension will be necessary. ACEC and 60 coalition partners — including the Transportation Construction Coalition, the U.S. Chamber of Commerce, and AASHTO — sent a letter urging Congress to sustain current funding levels in any extension, covering both Highway Trust Fund programs and the IIJA's supplemental advance appropriations; a lapse in the supplemental funding could disrupt bridge, transit, rail, and multimodal projects. The IIJA's unique structure makes this extension harder than past ones, since the advance appropriations cross committee jurisdictions and must be continued alongside the HTF programs. The extension could ride on the continuing resolution Congress also needs to avoid a government shutdown October 1, or move separately. Meanwhile, U.S. DOT Secretary Duffy outlined Administration reauthorization priorities — including removing transit from the Trust Fund, an idea committee leaders in both chambers have already rejected.
IIJA Water Authorization	SRF / Water & Wastewater Funding Cliff	**Deadline: Sept. 30, 2026**	**Support Full Reauthorization**	The IIJA's $50B, five-year water title — spread across the Clean Water and Drinking Water SRFs, dedicated lead service line replacement, and PFAS/emerging contaminants funding — expires the same day as the highway program. Combined with annual appropriations, IIJA roughly quadrupled yearly SRF investment nationally, from ~$2.7B to ~$11.4B; EPA announced the final $7.2B round of FY26 SRF allotments in May. Without reauthorization, communities face a steep funding cliff — Michigan's FY27 state budget already reflects it, cutting $270M in federal SRF authorization for local sewage, stormwater, and drinking water loans. A reauthorization vehicle has now emerged: the Senate's WRDA bill (S. 4949) would reauthorize both SRFs and WIFIA through 2030 at authorization levels above the IIJA, with SRF loans usable for lead service line removal and PFAS (see WRDA row below). Water sector coalitions are pressing to hold those levels through conference.

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WRDA 2026 (H.R. 9497 / S. 4949)	Army Corps Projects & Water Infrastructure	**PASSED Both Committees Unanimously — Floor Action Next**	**Monitoring**	In a rare display of consensus, both WRDA bills cleared their committees unanimously and await floor votes expected this fall, after which a conference will reconcile differences for final passage later this year. The House bill (H.R. 9497) authorizes 10 new Corps projects and 131 feasibility studies, reauthorizes the High Hazard Potential Dam Rehabilitation Grant program, adjusts the National Dam Safety Program's State Assistance Grant formula so states are not forced to count low-head dams without appropriate data, supports maintenance dredging of ports and inland waterways, and helps address the Corps' project backlog. The Senate bill (S. 4949) authorizes 15 new projects and 61 feasibility studies and goes further on water funding: it reauthorizes the Drinking Water SRF, Clean Water SRF, and WIFIA through 2030 — at authorization levels above the IIJA — allows SRF loans for lead service line removal and emerging contaminants such as PFAS, creates a PFAS drinking-water pilot program, expands nonstructural flood mitigation (home elevations and buyouts), and reauthorizes the National Levee Safety Program through 2031 (a provision not in the House bill). S. 4949 also bars the administration from pausing, terminating, or delaying congressionally authorized Corps projects and requires regular implementation briefings to Congress. Work with Michigan's delegation to advance state priorities as the bills move to conference.
Advanced Wastewater Treatment Assistance Act	PFAS Treatment Grants	**Introduced — Michigan-Led**	**Monitoring**	Rep. Stevens (D-MI) / Rep. Fitzpatrick (R-PA). Five-year, $1B EPA grant program for advanced treatment (GAC, reverse osmosis), covering up to 50% of costs. Michigan faces an estimated $181M in emerging-contaminant wastewater needs.
H.R. 1267	Water Systems PFAS Liability Protection	**Hearings Held — Bipartisan Interest**	**Monitoring**	Would shield passive-receiver water systems from CERCLA liability following EPA's PFOA/PFOS hazardous substance designation, protecting municipal capital budgets that fund engineering work. On the regulatory front, ACEC filed comments in July on EPA's proposed PFAS compliance extension rule.
Dingell / Moolenaar Dam Safety Bill	Federal Hydropower Dam Oversight	**Introduced**	**Monitoring**	Responds to the Edenville failure: requires FERC to notify states of safety problems, transfer engineering records when licenses end, and assess licensee financial viability. Moves in parallel with HB 5485 and SB 627 at the state level.

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Section 106 Historic Preservation Rulemaking	Cultural Resources Review on Federal Projects	**Proposed Rule Advancing — Comment Period Ahead**	**Monitoring — Feedback Sought**	The Advisory Council on Historic Preservation voted to advance a proposed rule making sweeping changes to Section 106 review under the National Historic Preservation Act: agencies would no longer be required to consult State Historic Preservation Offices, Tribal governments, or local governments; public comment would become optional; agencies would no longer be required to avoid, minimize, or mitigate adverse effects; 'areas of potential effects' would be limited to direct material effects; natural features and landscapes would be excluded from the 'historic property' definition; and exemptions would expand significantly, including for actions with minimal federal funding or involvement. For firms delivering federally assisted projects, this would materially change cultural resources review and permitting workflows. The draft awaits White House review before Federal Register publication and a public comment period; ACEC is collecting member feedback now.
FY27 NDAA	Defense Authorization	**In Committee**	**OPPOSE Restriction Language**	ACEC is working to remove language restricting foreign-parent-owned U.S. engineering firms from supporting defense agencies (similar language was defeated last year). ACEC also joined a coalition letter to Senate Armed Services leaders raising concerns about provisions prohibiting capital reallocation without Defense Secretary approval.
Federal Gas Tax Holiday Proposals	Highway Trust Fund Revenue	**Proposals Circulating**	**OPPOSE (ACEC + TCC)**	ACEC and the Transportation Construction Coalition oppose suspension — it would undermine the funding system without meaningfully lowering pump prices.
H-1B $100,000 Fee	Workforce / Immigration	**Fee Back in Effect — Ruling Stayed Pending Appeal**	**Monitoring**	A federal judge in Massachusetts vacated the fee on June 8 as an unlawful tax — but stayed his own ruling on June 12 after the government appealed. USCIS may continue collecting the fee for qualifying petitions while the First Circuit reviews the case; the government filed its stay motion June 18. A conflicting D.C. district ruling upholding the fee means continued uncertainty for firms recruiting international technical talent.

Key takeaway for members: With the budget signed into law, few session days are expected for the remainder of the year — creating a narrow window for pending priorities like HB 4774 (QBS) and final passage of dam safety reform, which cleared its first chambers as part of the end-of-session deal. At the federal level, twin September 30 deadlines for surface transportation and water infrastructure reauthorization — with WRDA now advancing in both chambers as a water vehicle — collide with a midterm-year congressional calendar that leaves only a handful of session weeks — the rest of July, early August, and mid-September — making engagement with Michigan's congressional delegation before the August recess essential. Watch for ACEC grassroots alerts as Congress takes up a short-term extension and moves the BUILD America 250 Act and WRDA toward fall floor votes.

Prepared for the membership of ACEC/Michigan. Michigan bill links point to legislature.mi.gov; federal bill links point to Congress.gov. If a link does not resolve, search the bill number at the respective site. For questions on specific legislation, contact the ACEC/Michigan office.