Michigan Auctioneers Association Bill Tracking Report

The NAA Advocacy Cornerstone is back with a third legislative tracking update, and there are key developments worth noting for Michigan's auction industry.

As lawmakers continue to work through the budget for the 2025-26 fiscal year, both the House and Senate fiscal agencies are estimating that revenues will fall short of the expectations set in January. The ongoing disagreement between Senate Democrats and Republicans regarding the state's fiscal health and the priorities for the upcoming budget negotiations with the House could have far-reaching effects on future policy decisions. These disagreements may influence a range of legislative outcomes, including those that could directly impact Michigan's auction businesses.

Despite the slower-than-usual legislative session, several new bills have been introduced that could directly affect auctioneers and auction-related operations. These newly introduced measures, covering areas such as agricultural equipment repair, air quality enforcement, and organ donation leave, could reshape the business landscape for auction companies in the state. Some of these bills aim to enhance environmental protections, expand employee benefits, and provide clearer guidelines for selling and repairing equipment—all of which may impact auctioneers, especially those involved in real estate and equipment auctions.

While there has been little movement on previously reported bills, we've highlighted important updates in bold to reflect the latest actions. These updates provide clarity on where things stand, though progress remains slow.

In this update, we provide a deeper look at these newly introduced bills and analyze how they might affect auction businesses in Michigan. As always, we remain committed to keeping Michigan's auction professionals informed and prepared for any legislative changes that may arise. Stay tuned for more updates as the legislative session progresses!

UPDATES

Bill: <u>MI HB4090</u>

Introduced By: Representative Rep. Alabas Farhat (D-3) Committee: Government Operations Current Status & Last Action: In Committee, Bill Electronically Reproduced 02/19/2025, Referred To Second Reading (on 05/08/2025), NEW ACTION - Crossed Over, Transmitted (on 05/14/2025) **Bill Summary:** This bill authorizes the state administrative board to sell approximately 96.14 acres of state-owned property in Detroit, formerly the site of the Mound and Ryan Correctional Facilities in Wayne County. The bill first gives the City of Detroit a two-year option to purchase the entire property or portions of it for \$1.00, subject to certain conditions. If the city does not purchase the property, the Department of Technology, Management, and Budget can sell the property through various methods including competitive bidding, public auction, real estate brokerage services, or negotiated value-for-value exchanges. The bill defines key terms like "public use" (which must involve actual public access or government use for purposes such as parks, education, or emergency services) and "net revenue" (sale proceeds minus associated sale costs). Any sale must prioritize obtaining the best value for the state, which can be determined by fair market value or potential economic impact. The bill includes several important restrictions on the sale, such as requiring the property to be used exclusively for public purposes, giving the state a right of first refusal if the property is resold, and reserving state rights to aboriginal antiquities found on the property. Any net revenue from the sale will be deposited into the state's general fund.

Relevancy: The bill is relevant to the auction industry as it allows the sale of state-owned property through various methods, including competitive bidding and public auction. If the City of Detroit does not purchase the property, the Department of Technology, Management, and Budget can auction or sell the land, aiming to secure the best value for the state.

Bill: <u>MI HB4111</u>

Introduced By: Representative Greg VanWoerkom (R-88)

Committee: Finance

Current Status & Last Action: In Committee, Bill Electronically Reproduced 02/25/2025, NO NEW ACTION

Bill Summary: This bill provides a property tax exemption for certain hydrogen fuel pumps used to fill motor vehicles with hydrogen fuel. Specifically, for taxes levied after December 31, 2025, all personal property classified as industrial or commercial that constitutes a "qualified hydrogen fuel pump" will be exempt from property tax collection. A qualified hydrogen fuel pump is defined as a machine or device located in Michigan used to fill motor vehicles with hydrogen fuel, meeting either the H35 standard (35 Megapascals dispensing pressure) or the H70 standard (70 Megapascals dispensing pressure). The bill also updates related sections of the General Property Tax Act to incorporate this new exemption, including adding the hydrogen fuel pump installation to a list of normal maintenance activities that do not increase a property's assessed value. The bill is tied to the passage of House Bill 4112, meaning it will only take effect if that companion bill is also enacted into law. The purpose appears to be to encourage the development of hydrogen fuel infrastructure by providing a tax incentive for businesses that install hydrogen fueling equipment.

Relevancy: This bill is relevant to the auction industry because it outlines the possibility of selling state-owned property through various methods, including competitive bidding and public

auction. Specifically, the bill authorizes the sale of about 96 acres of land in Detroit, with the potential for the property to be auctioned off if the City of Detroit doesn't exercise its option to purchase it.

Bill: <u>MI HB4135</u>

Introduced By: Representative Sarah Lightner (R-45) **Committee:** Appropriations

Current Status & Last Action: In Committee, Bill Electronically Reproduced 02/26/2025, NEW ACTION - House Appropriations (09:00:00 5/14/2025 Room 352, State Capitol Building) (on 05/14/2025)

Bill Summary: This bill provides a comprehensive framework for the conveyance of a specific 81.078-acre parcel of state-owned land located in Jackson County, Michigan, which was formerly the Dalton Road Landfill and is currently under the jurisdiction of the Department of Corrections. The bill first defines key terms such as "fair market value" (the highest estimated open market price), "public use" (actual use by the public or local government for purposes like government administration, parks, education, or conservation), and establishes that Jackson County has the first right to purchase the property for \$1.00 within two years of the act's effective date. If Jackson County does not purchase the property, the Department of Technology, Management, and Budget can sell it through various methods including competitive bidding, public auction, real estate brokerage services, or negotiated value-for-value exchanges, with the goal of obtaining the best value for the state. Any sale must include conditions such as exclusive public use, restrictions on future property transfers, and the state's retention of rights to aboriginal antiquities and potential future oil, gas, or mineral revenues. The bill also specifies that if the property is used in a manner inconsistent with the prescribed restrictions, the state can reclaim the property. Finally, any net revenue from the sale will be deposited into the state's general fund, with net revenue defined as sale proceeds minus associated sale preparation and administrative costs.

Relevancy: This bill is relevant to the auction industry because it outlines the potential sale of state-owned land in Jackson County through methods like competitive bidding or public auction. If Jackson County doesn't purchase the property, auctioneers could be involved in managing the auction process to ensure the land is sold at the best possible price. The auction would need to comply with specific restrictions, such as the property being used for public purposes, and auction professionals would play a key role in ensuring these terms are met while maximizing revenue for the state.

Bill: <u>MI HB4106</u>

Introduced By: Representative Denise Mentzer (D-61)

Committee: Select Committee on Protecting Michigan Employees and Small Businesses **Current Status & Last Action:** In Committee, Bill Electronically Reproduced 02/20/2025, **NO NEW ACTION** **Bill Summary:** This bill creates a \$20 million supplemental appropriation for the Mothering Justice Small Business Assistance Fund within the Michigan Department of Treasury, specifically designed to help small businesses impacted by a recent Supreme Court decision. The bill defines a "small business" as a for-profit, independently owned business with 25 or fewer employees, and establishes that each eligible business can receive up to \$20,000 in financial assistance. To qualify for funding, businesses must provide payroll and employee attendance records from the previous two years, which the department will use to assess the potential impact of the Supreme Court decision. The fund is intended to help businesses defray costs related to increasing minimum wage and implementing paid sick leave requirements. The appropriation is designated as a work project, meaning unspent funds will remain available until the project is completed, with a tentative end date of September 30, 2029. The Department of Treasury can spend up to \$100,000 of the fund for administrative expenses, and the appropriation comes entirely from the state general fund.

Relevancy: This bill is relevant to the auction industry as it provides financial assistance to small businesses, including auction houses, impacted by a recent Supreme Court decision. Small businesses with 25 or fewer employees can receive up to \$20,000 to help with costs related to minimum wage increases and paid sick leave. This support can assist auction businesses in managing operational expenses and complying with new labor laws.

Bill: <u>MI SB0015</u>

Introduced By: Senator Sam Singh (D-28)

Committee: Regulatory Affairs

Current Status & Last Action: In Committee, Bill Electronically Reproduced 02/20/2025, NEW ACTION - Senate Regulatory Affairs (10:15:00 2/12/2025 North State Room, Heritage Hall, Capitol Building 323 W Ottawa S) (on 02/12/2025)

Bill Summary: This bill amends Michigan's Earned Sick Time Act to modify several key provisions related to employee sick leave. The bill changes the definition of the administering department from the Department of Licensing and Regulatory Affairs to the Department of Labor and Economic Opportunity, and expands the definition of family members who can be cared for using earned sick time. For small businesses (now defined as those with fewer than 25 employees instead of 10), employees can accrue 1 hour of sick time for every 30 hours worked, with a maximum of 40 paid hours and 32 unpaid hours per year. For other employers, employees can accrue 1 hour of sick time at the beginning of the year as an alternative to accrual. Employees can use sick time for personal or family medical needs, dealing with domestic violence or sexual assault, school meetings, and public health emergencies. The bill also reduces the statute of limitations for filing a complaint from 3 years to 1 year and increases potential penalties for employers who violate the act, including fines of up to \$1,000 per violation and up to 8 times an employee's normal hourly wage for failing to provide earned sick time.

Relevancy: This bill impacts the auction industry by modifying Michigan's Earned Sick Time Act, affecting how small and larger businesses, including auction houses, manage sick leave. The changes expand the definition of family members eligible for care and adjust accrual rates for sick time. Small businesses (fewer than 25 employees) can now offer up to 40 paid hours, while larger employers can offer up to 72 paid hours. The bill also increases penalties for non-compliance, which could impact auction businesses' operations if they fail to meet the new sick leave requirements.

Bill: MI HR0007

Introduced By: Representative Matt Hall (R-42)

Committee: Finance, Insurance, and Consumer Protection

Current Status & Last Action: Adopted (on 01/09/2025), NO NEW ACTION

Bill Summary: A resolution to create the Select Committee on Protecting Michigan Employees and Small Businesses.

Relevancy: This resolution is relevant to the auction industry as it proposes the creation of a committee focused on protecting employees and small businesses in Michigan. The committee's work could address issues such as labor laws, regulations, and financial support for small businesses, which may directly impact auction houses and other small businesses operating in the state.

Bill: <u>MI HB4186</u>

Introduced By: Representative Steve Carra (R-36)

Committee: Transportation and Infrastructure

Current Status & Last Action: Transmitted 03/19/2025, Crossed Over, Senate Appropriations (13:00:00 4/16/2025 Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building 1) (on 04/16/2025), NO NEW ACTION

Bill Summary: This bill amends the Michigan Business Tax Act to modify the business income tax rate and provide options for taxpayers with certain credits. Specifically, the bill changes the business income tax rate from 4.95% to 30% for all business activity occurring on or after January 1, 2025. For taxpayers with certificated credits who previously elected to file under the Michigan Business Tax Act, the bill now allows them to switch to filing under the Corporate Income Tax Act starting in tax years beginning after December 31, 2024. This means businesses with existing credits can choose to continue using those credits under the new tax structure. The bill also includes detailed provisions about how these changes will affect various types of taxpayers, including those with affordable housing projects, flow-through entities, and businesses with specific types of tax credits. The changes are part of a broader set of legislative bills that must all be enacted for this bill to take effect, indicating it is part of a comprehensive tax reform package.

Relevancy: This bill is relevant to the auction industry as it significantly alters the business income tax rate in Michigan, raising it from 4.95% to 30% for all business activity starting

January 1, 2025. Auction businesses, particularly those with certificated credits, may be affected by the shift in tax structure, as it offers the option to switch from the Michigan Business Tax Act to the Corporate Income Tax Act. This could impact tax planning and compliance for auction houses, especially those with existing tax credits.

Bill: <u>MI HB4144</u>

Introduced By: Representative Steve Carra (R-36) **Committee:** Transportation and Infrastructure

Current Status & Last Action: In Committee, Bill Electronically Reproduced 02/26/2025, NO NEW ACTION

Bill Summary: This bill amends Michigan's Income Tax Act by increasing the corporate income tax rate from 6.0% to 8.5% starting January 1, 2025, and modifying how tax revenue is distributed. Currently, corporate income tax revenue goes primarily to the general fund, but the bill introduces a new allocation strategy. Beginning in the 2025-2026 fiscal year, the first \$50 million will be deposited into the Michigan Housing and Community Development Fund, and any additional revenue attributable to the 2.5% rate increase will be directed to the State School Aid Fund. The bill aims to generate more funding for housing initiatives and education by increasing the corporate tax rate. The legislation also makes technical changes to tax calculation rules, such as how businesses calculate their taxable income, including adjustments for items like interest income, dividends, and expenses. These modifications provide more detailed guidance on how corporations should determine their tax liability under Michigan law, ensuring a more precise and comprehensive approach to corporate taxation.

Relevancy: This bill is relevant to the auction industry as it increases Michigan's corporate income tax rate from 6.0% to 8.5% starting January 1, 2025. Auction businesses that are structured as corporations will face a higher tax burden. Additionally, the bill changes how tax revenue is allocated, directing funds to housing and education initiatives, which could indirectly affect the business environment. The revised rules for calculating taxable income may also impact the way auction houses determine their tax liability.

Bill: <u>MI SB0198</u>

Introduced By: Representative Denise Mentzer (D-61)

Committee: Regulatory Affairs

Current Status & Last Action: Referred To Committee 03/20/2025, **NO NEW ACTION Bill Summary:** This bill, known as the Motor Vehicle Dealer Data Collection Act, establishes comprehensive regulations for protecting automobile dealer data and controlling how third parties and manufacturers can access, use, and share such data. The bill defines key terms like "protected dealer data" (which includes consumer personal information, vehicle diagnostic data, and business operational data) and requires prior express written consent from dealers before any third party or manufacturer can access, share, sell, copy, use, or transmit their data. Manufacturers are limited in their data access, primarily restricted to using "required manufacturer data" for specific purposes such as safety recalls, processing vehicle sales, validating incentives, and conducting performance evaluations. The bill mandates that dealer data vendors provide standardized frameworks for data exchange and integration, and ensures dealers can audit and terminate data-sharing agreements. Dealers have the right to revoke consent with 60 days' notice, and manufacturers must indemnify dealers for any third-party claims resulting from unauthorized data access. Violations of the act can result in civil fines of up to \$5,000 per violation, and the legislation does not apply to data generated outside of dealer data systems or prevent dealers from maintaining existing data protection obligations. **Relevancy:** While this bill primarily focuses on automobile dealers, it could be relevant to the auction industry if auction houses handle or process similar sensitive data, such as consumer personal information or business operational data. The Motor Vehicle Dealer Data Collection Act establishes strict regulations around how third parties and manufacturers can access, use, and share dealer data. Auction businesses dealing in vehicle sales or related services would need to comply with these protections, ensuring they obtain proper consent for data sharing and are aware of the potential penalties for violations.

Bill: <u>MI HB4139</u>

Introduced By: Representative Jim DeSana (R-29)

Committee: Judiciary

Current Status & Last Action: In Committee, Bill Electronically Reproduced 02/26/2025, NO NEW ACTION

Bill Summary: This bill amends Michigan's firearms licensing law to remove references to the Extreme Risk Protection Order Act, which appears to have been repealed. The bill makes technical changes to several sections of the existing law, primarily focusing on updating language related to firearms licensing and concealed pistol permits. Specifically, the bill removes mentions of extreme risk protection orders from various sections that detail licensing requirements, eligibility criteria, and license suspension procedures. The changes impact how individuals qualify for firearms licenses, with modifications to the sections that list disqualifying factors for obtaining a license to purchase or carry a firearm. The bill ensures that the existing firearms licensing statute reflects the current legal landscape by eliminating references to a law that is no longer in effect. Notably, the bill is tied to another piece of legislation (House Bill 4140) and will only take effect if that companion bill becomes law.

Relevancy: This bill is relevant to the auction industry, particularly for auctioneers who handle the sale of firearms. It amends Michigan's firearms licensing law by removing references to the now-repealed Extreme Risk Protection Order Act and updating language related to licensing and concealed pistol permits. Auction houses dealing with firearms will need to ensure compliance with these updated regulations, particularly regarding the eligibility criteria for buyers and the disqualifying factors for obtaining a firearm license. Any changes to licensing requirements could impact how firearms are sold at auction.

Bill: <u>MI HB4186</u>

Introduced By: Representative Steve Carra (R-36)

Committee: Transportation and Infrastructure

Current Status & Last Action: Transmitted 03/19/2025, Crossed Over, Senate Appropriations (13:00:00 4/16/2025 Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building 1) (on 04/16/2025), NO NEW ACTION

Bill Summary: This bill amends the Michigan Business Tax Act to modify the business income tax rate and provide options for taxpayers with certain credits. Specifically, the bill changes the business income tax rate from 4.95% to 30% for all business activity occurring on or after January 1, 2025. For taxpayers with certificated credits who previously elected to file under the Michigan Business Tax Act, the bill now allows them to switch to filing under the Corporate Income Tax Act starting in tax years beginning after December 31, 2024. This means businesses with existing credits can choose to continue using those credits under the new tax structure. The bill also includes detailed provisions about how these changes will affect various types of taxpayers, including those with affordable housing projects, flow-through entities, and businesses with specific types of tax credits. The changes are part of a broader set of legislative bills that must all be enacted for this bill to take effect, indicating it is part of a comprehensive tax reform package.

Relevancy: This bill is relevant to the auction industry because it significantly alters Michigan's business income tax rate, raising it from 4.95% to 30% starting January 1, 2025. Auction businesses that are structured as corporations will face a higher tax burden under this new rate. Additionally, businesses with existing tax credits can opt to switch to the Corporate Income Tax Act, potentially impacting auction houses that may have certificated credits or are involved in specific tax credit programs. The changes could affect how auction houses manage their finances and tax planning moving forward.

Bill: <u>MI HB4213</u>

Introduced By: Representative Mike Hoadley (R-99)

Committee: Government Operations

Current Status & Last Action: In Committee, Bill Electronically Reproduced 03/12/2025, NO NEW ACTION

Bill Summary: This bill eliminates several existing restrictions on where individuals with concealed pistol licenses can carry firearms. Specifically, the bill removes previous prohibitions on carrying concealed weapons in locations such as schools, child care centers, sports arenas, bars, places of worship, entertainment facilities, hospitals, and college campuses. The only remaining significant restriction is for establishments with certain security measures. The bill maintains existing penalties for violations, which range from civil infractions for a first offense (with a 6-month license suspension) to felony charges for third or subsequent violations (potentially including up to 4 years imprisonment). For private property owners who want to prohibit firearms, the bill now requires them to have metal detectors at every entrance and on-site

security personnel if they wish to prevent concealed carry. The bill also continues to provide exceptions for certain professionals like law enforcement officers, corrections officers, judges, and other specific licensed individuals who are permitted to carry concealed weapons in these previously restricted locations. These changes represent a significant expansion of where licensed concealed pistol holders can legally carry their firearms in Michigan.

Relevancy: This bill is relevant to the auction industry, particularly for auction houses that host events or auctions in venues where firearms may be present. It expands the locations where individuals with concealed pistol licenses can legally carry firearms, removing previous prohibitions in places like sports arenas, bars, hospitals, and college campuses. Auction houses, especially those dealing with firearms or operating in larger venues, may need to reassess their security protocols, as private property owners will be required to have metal detectors and security personnel if they wish to prohibit concealed carry on their premises. This could affect how firearm-related auctions or events are managed.

Bill: <u>MI HB4233</u>

Introduced By: Representative Gina Johnsen (R-78)

Committee: Government Operations

Current Status & Last Action: In Committee, Bill Electronically Reproduced 03/12/2025, Crossed Over, Transmitted (on 05/06/2025), NEW ACTION - Referred To Committee On Government Operations (on 05/13/2025)

Bill Summary: This bill amends Michigan law to prohibit foreign persons, including foreign businesses and governments, from purchasing agricultural land in the state. The new section 36a establishes that foreign entities cannot acquire farmland, with some exceptions. Existing foreign landowners can retain their current agricultural land but cannot purchase additional property. Exceptions include land acquired through inheritance (which must be sold within two years), land taken as a security encumbrance, and land acquired through legal processes like foreclosure (also subject to a two-year divestment requirement). Foreign persons who already own agricultural land must register their property with the secretary of state within 60 days, providing details such as ownership information, location, and acquisition date. If a foreign entity violates these restrictions, the attorney general will initiate legal action, potentially resulting in the land being declared escheated (transferred) to the state and sold, with proceeds going to court costs and the previous owner. The bill defines key terms like "agricultural land," "farming," and "foreign person" to provide clarity. Violations can result in civil fines up to \$2,000, and a person remains in violation as long as they hold the agricultural land illegally.

Relevancy: This bill is relevant to the auction industry, particularly for auctions involving agricultural land. It prohibits foreign entities from purchasing farmland in Michigan, with some exceptions, and requires existing foreign landowners to register their property. Auction houses dealing with agricultural land sales may need to adjust their processes to ensure compliance with the new regulations, particularly when foreign buyers are involved. Auctions for agricultural land

may be impacted if foreign entities seek to acquire property in violation of the law, potentially leading to legal action or the land being seized and resold.

Bill: <u>MI HB4234</u>

Introduced By: Representative Luke Meerman (R-89)

Committee: Government Operations

Current Status & Last Action: In Committee, Bill Electronically Reproduced 03/13/2025, Crossed Over, Transmitted (on 05/06/2025), **NEW ACTION - Referred To Committee On Government Operations (on 05/13/2025)**

Bill Summary: This bill establishes significant restrictions on foreign entities' ability to purchase or own agricultural land and real property within 20 miles of military installations or key facilities in Michigan. Specifically, foreign principals (defined as entities or individuals from countries of concern like China, Russia, Iran, North Korea, Cuba, Venezuela, or Syria) are prohibited from directly or indirectly acquiring agricultural land or real property near sensitive locations. Existing foreign-owned properties within these zones can be retained but cannot be expanded, and owners must register with the state's Department of Agriculture and Rural Development by July 1, 2025. Failure to register can result in civil fines up to \$1,000 per day. If a foreign principal acquires such property through inheritance, debt collection, or other means, they must divest within two years. The bill imposes criminal penalties, including potential misdemeanor charges and fines up to \$500, for violations. In cases of non-compliance, the state can initiate court proceedings that may result in the property being declared escheated (forfeited) to the state and sold. The legislation aims to protect strategic land areas near military installations and key facilities from foreign ownership, particularly from governments or entities associated with countries deemed potential national security risks.

Relevancy: This bill is highly relevant to the auction industry, particularly for auctions involving agricultural land or real property near military installations or key facilities in Michigan. It restricts foreign entities from purchasing or owning such land, particularly from countries deemed to be national security risks. Auction houses involved in the sale of agricultural or real property in these areas will need to ensure compliance with these new restrictions, including verifying the ownership of potential buyers. Failure to adhere to the registration requirements or violations of the divestment provisions could lead to significant legal consequences, including fines and the forfeiture of property.

Bill: <u>MI HB4263</u>

Introduced By: Representative Mike McFall (D-14) Committee: Judiciary Current Status & Last Action: In Committee, Bill Electronically Reproduced 03/18/2025, NEW ACTION - House Judiciary (10:30:00 5/21/2025 Room 521, House Office Building) (on 05/21/2025) **Bill Summary:** This bill establishes the "Event Online Ticket Sales Act" to regulate ticket sales for public entertainment events, defining such events as concerts, theatrical performances, sporting events, exhibitions, or shows held in Michigan that charge an admission fee. The legislation prohibits using automated programs or technological methods to circumvent ticket purchasing restrictions, specifically banning actions that disable or bypass security measures designed to: enforce ticket purchase limits, manage electronic queues or waiting periods, control sales volume during online ticket sales, or validate ticket authenticity. The bill broadly defines "person" to include individuals, businesses, and legal entities, and defines "ticket" as any physical or electronic document that grants entry to an event. A key provision is preventing the use of bots or automated systems that could unfairly acquire multiple tickets beyond posted purchasing limits, which aims to protect consumers and ensure fairer access to event tickets. The bill is tied to another piece of legislation and will only take effect if a companion bill is also enacted into law.

Relevancy: This bill is relevant to the auction industry, particularly for auction houses that deal with the sale of tickets to events, such as sporting events, concerts, or shows. The "Event Online Ticket Sales Act" aims to prevent unfair practices like the use of bots to acquire tickets beyond purchase limits, ensuring fairer access to tickets. Auction houses involved in reselling tickets or managing events may need to adjust their processes to comply with these new regulations, especially regarding the sale and authenticity of tickets.

Bill: <u>MI SB0010</u>

Introduced By: Representative Joe Bellino (D-14)

Committee: Government Operations

Current Status & Last Action: In Committee, Bill Electronically Reproduced 03/18/2025, NO NEW ACTION

Bill Summary: This bill amends existing Michigan law to prohibit foreign governments, state-sponsored enterprises, and individuals acting on their behalf from purchasing farmland in the state. The bill defines farmland as land zoned for agricultural use capable of producing crops, livestock, poultry, timber, dairy, orchards, or other agricultural products. Foreign governments are specifically defined to exclude U.S. federal, state, and local governments. The legislation allows foreign entities that already owned farmland in Michigan before October 1, 2023, to retain their existing property but prevents them from acquiring additional land. Key exceptions are made for land acquisitions that occur under United States treaties. The bill introduces technical definitions like "controlling interest" (50% or more ownership) and "primary interest" (serving geopolitical aims or investing against U.S. interests). The amendments modify previous provisions about land ownership by non-citizens, effectively creating new restrictions specifically targeting foreign government and state-sponsored enterprise land purchases in Michigan's agricultural sectors.

Relevancy: This bill is relevant to the auction industry, particularly for auctions involving farmland. It prohibits foreign governments, state-sponsored enterprises, and individuals acting on

their behalf from purchasing farmland in Michigan, with some exceptions. Auction houses dealing in agricultural land sales will need to ensure compliance with these new restrictions, especially when foreign buyers are involved. Existing foreign landowners can retain their property but cannot acquire more, which could impact future land sales and auctions. Auctions for agricultural land may need to verify buyer eligibility and be prepared for potential legal challenges if foreign entities attempt to purchase farmland in violation of the new law.

Bill: <u>MI SB0134</u>

Introduced By: Senator Sam Singh (D-28)

Committee: Finance, Insurance, and Consumer Protection

Current Status & Last Action: Referred To Committee On Finance, Insurance, And Consumer Protection 03/06/2025, Senate Finance, Insurance, and Consumer Protection (12:30:00 5/7/2025) Room 1200, Binsfeld Office Building 201 Townsend St, Lansing, M) (on 05/07/2025), NEW ACTION - Senate Finance, Insurance, and Consumer Protection (09:45:00 5/20/2025 Room 403, 4th Floor, Capitol Building 100 N. Capitol Avenue, La) (on 05/20/2025)

Bill Summary: This bill amends the Michigan Consumer Protection Act to enhance consumer safeguards and expand the legal framework for protecting consumers from unfair, deceptive, or harmful business practices. The bill introduces several key modifications, including new definitions for terms like "elder" (individuals 80 years or older), "vulnerable adult" (individuals requiring supervision or personal care), and "small business" (businesses with fewer than 250 employees or less than \$6 million in annual sales). It strengthens the attorney general's investigative and enforcement powers by allowing them to serve written demands for information, examine individuals under oath, and compel the production of documents. The bill also significantly increases potential civil fines for violations, particularly those targeting elders or vulnerable adults, with penalties up to \$50,000 per violation. Additionally, the bill establishes a Consumer Protection and Antitrust Revolving Enforcement and Education Fund, which will receive a portion of attorney fees, costs, and damages from legal actions, to be used for enforcement efforts and public education about consumer protection. The legislation emphasizes liberal interpretation of the act to effectuate its consumer protection purposes and provides more robust mechanisms for investigating and preventing unfair trade practices.

Relevancy: This bill is relevant to the auction industry because it enhances consumer protections against unfair and deceptive business practices, with particular emphasis on protecting vulnerable groups such as elders and vulnerable adults. Auction houses, especially those in the small business category, must ensure that their practices comply with stricter consumer protection regulations. With increased penalties for violations (up to \$50,000 per violation) and expanded powers for the attorney general to investigate and enforce these laws, auctioneers will need to be extra careful in how they advertise, sell, and manage consumer transactions to avoid legal and financial risks.

Bill: <u>MI HB4025</u>

Introduced By: Representative Natalie Price (D-6)

Committee: Budget and Finance, Justice

Current Status & Last Action: Crossed Over, Referred To Committee On Civil Rights, Judiciary, And Public Safety (on 03/18/2025), **NO NEW ACTION**

Bill Summary: This bill extends the sales tax exemption for firearm safety devices, removing the previous time limitation that was set to expire on December 31, 2024. The bill defines "firearm safety device" as equipment designed to prevent unauthorized access to or operation of a firearm, which includes devices that must be deactivated before a firearm can be used, as well as gun safes, cases, lockboxes, or other secure storage methods that can only be accessed through a key, combination, biometric data, or similar means. Specifically excluded are display cabinets that are primarily meant to showcase firearms. When selling a firearm, sellers are required to provide a written notice and post a sign informing customers that firearm safety devices are exempt from sales tax. The legislature also intends to appropriate sufficient funds from the state general fund to the state school aid fund to compensate for any revenue loss resulting from this tax exemption.

Relevancy: This bill is relevant to the auction industry because it affects the taxation of firearm safety devices, which are often sold alongside and with firearms at auctions. Auction houses that handle firearm sales would need to comply with the requirement to inform buyers—both in written form and through signage—that these safety devices are exempt from sales tax.

Bill: <u>MI HB4026</u>

Introduced By: Representative Brad Paquette (R-37)

Committee: Budget and Finance, Justice

Current Status & Last Action: Crossed Over, Referred To Committee On Civil Rights, Judiciary, And Public Safety (on 03/18/2025), **NO NEW ACTION**

Bill Summary: This bill amends the Michigan Use Tax Act to permanently exempt firearm safety devices from sales and use tax, removing the previous sunset date of December 31, 2024. The bill defines "firearm safety device" as equipment designed to prevent unauthorized access to or operation of a firearm, including devices that must be deactivated before a firearm can be used, and gun safes, cases, or lockboxes that can only be opened with a key, combination, or biometric data. Specifically excluded are display cabinets that are primarily designed to showcase firearms. Sellers of firearms are required to provide a written notice to purchasers and post a conspicuous sign informing customers that firearm safety devices are exempt from sales tax. Additionally, the bill includes an intent statement indicating that the legislature aims to appropriate sufficient funds from the state general fund to the state school aid fund to compensate for any revenue loss resulting from this tax exemption.

Relevancy: This bill is relevant to the auction industry because it permanently exempts firearm safety devices from Michigan's sales and use tax, impacting how auction houses price and report these items when included in firearm sales. Auctions that involve firearms must now ensure compliance with this law if passed by providing written notices to buyers and prominently

displaying signage about the tax exemption. This change would simplify tax procedures for auctioneers by removing the expiration date on the exemption, creating long-term clarity and consistency for sales involving qualifying safety devices.

Bill: <u>MI SB0121</u>

Introduced By: Senator Jonathan Lindsey (R-17) **Committee:** Justice

Current Status & Last Action: Referred To Committee On Civil Rights, Judiciary, And Public Safety (on 03/05/2025), **NO NEW ACTION**

Bill Summary: This bill proposes to prohibit the enforcement of certain federal firearms-related laws within Michigan by establishing that any federal law, rule, regulation, executive order, or administrative order is unenforceable in the state if it: imposes specific taxes or fees on firearms that might discourage ownership, requires registration or tracking of firearms or firearm owners, prohibits possession or transfer of firearms, or orders firearm confiscation. The bill mandates that state and local government employees cannot enforce such federal regulations, with significant penalties for violations, including a \$10,000 fine for each instance of attempted enforcement. Additionally, political subdivisions are prohibited from employing individuals who have previously attempted to enforce these types of federal firearms regulations. The bill also provides a legal mechanism for individuals who believe they have been injured by such enforcement to seek injunctive relief in circuit court, with the potential to recover attorney fees and court costs. By defining "person" broadly to include individuals, corporations, associations, and governmental entities, the bill creates a comprehensive framework for resisting what it considers to be overly restrictive federal firearms regulations.

Relevancy: This bill is relevant to the auction industry because it could significantly impact how firearms are sold at auction in Michigan by limiting the enforcement of federal firearms regulations at the state and local levels. Auction houses that deal in firearms may face fewer compliance obligations related to federal registration, tracking, or transfer restrictions if this bill becomes law. However, the bill also introduces legal and operational uncertainties, as auctioneers would need to navigate potential conflicts between state and federal law. Additionally, auction companies employing staff involved in firearm transactions must be cautious, as the bill imposes strict penalties on those who attempt to enforce prohibited federal regulations.

Bill: <u>MI SB0224</u>

Introduced By: Senator Dayna Polehanki (D-5)

Committee: Justice

Current Status & Last Action: Referred To Committee On Civil Rights, Judiciary, And Public Safety (on 04/17/2025), **NO NEW ACTION**

Bill Summary: This bill amends Michigan's penal code to prohibit the manufacture, sale, offer for sale, or possession of bump stocks, which are devices that allow a semiautomatic firearm to shoot more than one shot with a single trigger pull by using the firearm's recoil energy to

automatically reset and continue firing. The bill adds bump stocks to an existing list of prohibited weapons and devices, which already includes machine guns, silencers, bombs, and certain other weapons designed to cause harm. A person who violates this prohibition would be guilty of a felony, punishable by up to 5 years in prison, a fine of up to \$2,500, or both. The bill provides specific definitions for bump stocks, clarifying that they are devices that harness a firearm's recoil to enable continuous firing without additional physical trigger manipulation. The legislation maintains existing exceptions to the weapon prohibitions, such as for government contractors, licensed manufacturers, and self-defense spray devices. The bill also makes some minor grammatical corrections to the existing law, such as capitalizing references to government officials.

Relevancy: This bill is relevant to the auction industry because it prohibits the sale, offer for sale, or possession of bump stocks in Michigan, directly affecting what auction houses can legally include in their firearm-related inventory. Auctioneers will need to ensure compliance by screening consignments for prohibited devices and excluding bump stocks from auctions to avoid legal liability. Since violations carry felony penalties, including potential imprisonment and fines, this bill raises the stakes for due diligence in firearms auctions and may necessitate updated policies, staff training, and item vetting procedures.

Bill: <u>MI HB4266</u>

Introduced By: Representative Nancy Jenkins-Arno (R-34)

Committee: Government Affairs

Current Status & Last Action: Bill Electronically Reproduced 03/18/2025 (on 03/19/2025), **NO NEW ACTION**

Bill Summary: This bill amends the Michigan Consumer Protection Act to add new requirements for third-party ticket sellers. Specifically, the bill mandates that any ticket seller not directly representing the venue, event, or original ticket issuer must clearly disclose their third-party status on the ticket itself using at least 18-point type font, prominently stating that they are not affiliated with the venue or event. Additionally, these third-party sellers must fully disclose all fees associated with ticket purchase before completing the sale. The bill is part of a broader set of consumer protection measures designed to prevent deceptive practices in ticket sales, ensuring transparency and helping consumers understand the nature of their ticket purchase. By requiring clear disclosures about seller status and additional fees, the legislation aims to protect consumers from potential misunderstandings or unexpected charges when buying tickets from resellers.

Relevancy: This bill is relevant to the auction industry because while it does not have direct implications except in cases where auctions involve event ticket packages, it signals a broader legislative trend toward regulating "junk fees" and increasing transparency in third-party transactions. The bill's requirements for fee disclosure and clear identification of third-party status parallel concerns that could extend to auctioneers in Michigan—especially as other states have introduced similar consumer protection laws starting with ticketing and expanding to

industries like auctions. Auctioneers should be aware that this type of legislation may lay the groundwork for future regulations targeting fee disclosures and business practices within the auction industry.

Bill: <u>MI HR0029</u>

Introduced By: Representative Gina Johnsen (R-78) Committee: Agriculture and Natural Resources Current Status & Last Action: Referred To Committee On Agriculture (on 03/04/2025), NO NEW ACTION

Bill Summary: A resolution to urge the United States Congress to pass legislation temporarily freezing the Adverse Effect Wage Rate for the H-2A Temporary Agricultural Workers Program. **Relevancy:** This bill is relevant to the auction industry because livestock auctioneers are part of the broader agricultural workforce that can be impacted by changes to wage policies under the H-2A Temporary Agricultural Workers Program. By urging Congress to temporarily freeze the Adverse Effect Wage Rate, this resolution reflects concerns about rising labor costs in the agricultural sector—costs that can indirectly affect livestock markets, auction operations, and the overall economic environment in which agricultural auctioneers operate. A stabilized wage rate could help maintain affordability and labor availability for farms and ranches that supply animals to livestock auctions across Michigan.

Bill: <u>MI HB4456</u>

Introduced By: Representative Erin Byrnes (D-15)

Committee: Business and Industry

Current Status & Last Action: Bill Electronically Reproduced 05/06/2025 (on 05/07/2025), NO NEW ACTION

Bill Summary: This bill establishes comprehensive rules for employer monitoring of employee communications, requiring employers to create and disclose a detailed written policy before monitoring any employee communications. The bill defines key terms such as "employee" (anyone providing labor as a volunteer or for compensation) and "monitor" (listening to, reading, or recording communications between an employee and a non-employer party). The monitoring policy must specify the monitoring, and provide advance written notice to employees. The policy can only apply to employer-owned electronic devices, and employees are explicitly prohibited from monitoring personal devices. Employers cannot request employees to waive their legal rights regarding monitoring, and any violation of the act makes the employer liable for either actual damages or \$5,000, whichever is greater, plus reasonable attorney fees. The law will apply to any collective bargaining or employment agreements executed, extended, or renewed after its effective date, ensuring transparency and protecting employee privacy in workplace communication monitoring.

Relevancy: This bill is relevant to the auction industry because many auction businesses operate with staff who use company-owned devices and communicate electronically during auctions and day-to-day operations. As employers, auction companies would be subject to the bill's requirements if they choose to monitor work-related communications. This includes establishing a formal monitoring policy, notifying employees, and ensuring that monitoring only occurs on company-owned devices. Auction businesses would need to review and potentially update their workplace policies to comply with the new law, especially those involving internal communication, mobile bidding systems, or remote staff coordination.

Bill: <u>MI HB4453</u>

Introduced By: Representative Carrie Rheingans (D-47)

Committee: Business and Industry

Current Status & Last Action: Bill Electronically Reproduced 05/06/2025 (on 05/07/2025), NO NEW ACTION

Bill Summary: This bill, known as the "Employee Privacy Protection Act," establishes legal protections for employees engaging in lawful activities during non-work hours and off employer premises. The bill defines an employee as an individual receiving compensation for work and an employer as an entity that permits work or accepts employment applications. It prohibits employers from discriminating against, firing, or refusing to hire an employee based on lawful activities conducted outside of work, with several important exceptions. These exceptions include activities that directly impair job requirements, create substantial conflicts of interest with the employer's core mission, violate company property policies, conflict with specific employment regulations, or impair an employee's job performance during rest or meal periods. The bill also protects employees from retaliation if they participate in investigations or oppose violations of the act, and explicitly states that any agreements requiring employees to waive their rights under this act are void. If an employer violates these provisions, an employee can bring a civil action to seek injunctive relief and damages, with the court mandated to award costs and reasonable attorney fees to a prevailing plaintiff. The act will apply to collective bargaining and employment agreements entered into, renewed, or extended after its effective date. Relevancy: This bill is relevant to the auction industry because auction companies, like other employers, would be required to ensure that employment decisions are not based on employees' lawful off-duty conduct. Since auction staff often work irregular hours or seasonally, this legislation clarifies the boundaries of employer oversight regarding employees' personal time. Auction businesses would need to review hiring, disciplinary, and conduct policies to ensure compliance, especially in cases where off-duty behavior does not directly impact job performance or the company's operations.

Bill: <u>MI HB4433</u>

Introduced By: Representative Jaime Greene (R-65) **Committee:** Economic Competitiveness

Current Status & Last Action: Bill Electronically Reproduced 05/06/2025 (on 05/07/2025), NO NEW ACTION

Bill Summary: This bill establishes protections for emergency responders in the workplace by prohibiting employers from discriminating against, disciplining, or firing employees who are emergency responders or who are absent from work to respond to emergencies. The bill defines an "emergency responder" as a licensed or certified professional who provides assistance during emergencies on a volunteer or paid on-call basis, including emergency medical personnel, healthcare practitioners, firefighters, and public works personnel, but explicitly excluding law enforcement officers. To be protected, an employee must provide notice to their employer before the start of their shift when responding to an emergency, submit a written statement within 72 hours describing the emergency need for their service, and ensure their absence does not create a workplace safety concern. Employees must also notify their employer of their emergency responder status within 30 days of being hired or changing their status and provide documentation of their status twice annually. The bill allows employers to treat the absence as paid or unpaid time off and does not override existing collective bargaining agreements. Employees who believe their rights under this act have been violated can bring a civil action for damages or other relief.

Relevancy: This bill is relevant to the auction industry because auction companies that employ individuals who also serve as emergency responders—such as volunteer firefighters or on-call medical personnel—would be required to accommodate their occasional absences due to emergency response duties. Auction businesses, particularly those operating in rural or small communities where dual roles are common, would need to adjust scheduling policies and ensure compliance with notice, documentation, and anti-discrimination provisions outlined in the bill.

Bill: <u>MI HB4400</u>

Introduced By: Representative Luke Meerman (R-89)

Committee: Government Operations

Current Status & Last Action: Bill Electronically Reproduced 04/29/2025 (on 04/30/2025), NO NEW ACTION

Bill Summary: This bill prohibits vehicle dealers and distributors in Michigan from selling, offering for sale, or operating vehicles designed, developed, or manufactured by certain "foreign entities of concern," which are comprehensively defined to include foreign terrorist organizations, entities on U.S. Treasury sanctions lists, and vehicles connected to specific countries like China, Russia, Iran, North Korea, Cuba, Venezuela, and Syria. Dealers who violate this prohibition would face significant penalties, including a potential civil fine of up to \$50,000 per violation and potential seizure and forfeiture of the vehicle. The definition of a "foreign entity of concern" is expansive, covering organizations associated with terrorist activities, those subject to various U.S. national security and economic sanctions laws, and specific countries deemed to be of strategic concern. The bill would take effect 90 days after its enactment, giving dealers time to adjust their inventory and sales practices to comply with the new restrictions. The

legislation appears to be aimed at limiting the commercial presence of vehicles from countries or entities considered potential national security risks.

Relevancy: This bill is relevant to the auction industry because auction companies that handle the sale or resale of vehicles—particularly equipment auctions, repossession auctions, or auto auctions—would need to ensure compliance with restrictions on vehicles associated with foreign entities of concern. Auctioneers and consignment managers would be responsible for verifying the origin and manufacturing affiliations of vehicles before listing them for sale, as violations could result in substantial fines and vehicle forfeiture. This may require changes to intake procedures, vendor vetting, and documentation practices to align with the bill's national security-oriented provisions.

Bill: <u>MI HB4409</u>

Introduced By: Representative Erin Byrnes (D-15)

Committee: Economic Competitiveness

Current Status & Last Action: Bill Electronically Reproduced 04/29/2025 (on 04/30/2025), NO NEW ACTION

Bill Summary: This bill requires employers to create comprehensive written job descriptions for each position and mandates their disclosure to job applicants and employees. Specifically, job descriptions must include essential duties and responsibilities, required skills and training, working conditions and schedule, and salary information. Employers must make these job descriptions available during recruitment, hiring, or promotion processes, and to any employee who requests them. The bill also stipulates that employers cannot apply a revised job description to a current employee without giving them an opportunity to review and initial the changes. For violations of these new requirements, the bill establishes a graduated system of civil fines: first violations result in a \$1,000 fine after a 14-day correction period, with subsequent violations incurring increasingly steep penalties up to \$25,000 for a fourth or later violation. Additionally, aggrieved individuals can bring legal action to recover actual damages, with a minimum award of \$10,000, plus actual costs and attorney fees. The new provisions will take effect 90 days after the bill is enacted into law, aiming to increase workplace transparency and provide clearer expectations for both employers and employees.

Relevancy: This bill is relevant to the auction industry because auction businesses would be required to develop and maintain detailed written job descriptions for all roles, including auctioneers, clerks, ring personnel, office staff, and equipment handlers. These descriptions would need to be shared during hiring, promotions, and upon employee request, ensuring transparency in responsibilities, qualifications, and compensation. Auction companies would also need to implement procedures for documenting and communicating any changes to job descriptions, which could involve updates to HR practices and staff training to comply with the bill's disclosure and recordkeeping requirements.

Bill: MI HB4387

Introduced By: Representative John Roth (R-104)

Committee: Economic Competitiveness

Current Status & Last Action: House Finance (10:30:00 5/13/2025 Room 521, House Office Building) (on 05/13/2025), **NEW ACTION - Referred To Second Reading (on 05/13/2025) Bill Summary:** This bill creates a tax credit for Michigan residents affected by a specific state of emergency declared in March 2025 due to severe winter weather and ice storms. The credit allows qualified taxpayers to claim up to \$5,000 for expenses related to cleaning up, repairing, restoring, or rebuilding their home, property, or business within the emergency area. To be eligible, taxpayers must submit a form to the state treasury that includes their federal or Michigan tax identification number, their address in the affected area, and a description of how they were impacted by the winter weather. The credit applies only to the 2025 tax year and can be claimed by individual taxpayers and members of flow-through business entities (like partnerships or S-corporations). If the credit amount exceeds a taxpayer's tax liability, the excess will be refunded. Qualified expenses include purchasing generators, chainsaws, and building materials needed for recovery efforts. The bill specifically references a state of emergency declared on March 31, 2025, and updated on April 2, 2025, covering counties significantly impacted by the winter storm.

Relevancy: This bill is relevant to the auction industry because auction businesses operating in areas affected by the March 2025 winter storm may be eligible for tax relief to offset costs related to storm damage and recovery. Auction companies that experienced property damage, equipment loss, or business interruption due to the declared state of emergency could claim the credit for cleanup and restoration expenses. This includes costs for items such as generators and building materials, which are commonly used to maintain or resume auction operations following severe weather disruptions.

Bill: <u>MI HB4322</u>

Introduced By: Representative Regina Weiss (D-5) **Committee:** Economic Competitiveness

Current Status & Last Action: Bill Electronically Reproduced 04/16/2025 (on 04/17/2025), NO NEW ACTION

Bill Summary: This bill amends Michigan's wage and hour law to strengthen protections against employee misclassification and provide more robust enforcement mechanisms. The bill redefines several key terms, including creating a specific definition for "independent contractor" that requires workers to be free from the payer's control, performing work outside the payer's usual business, and engaged in an independently established trade. It prohibits employers from classifying employees as independent contractors, and places the burden of proof on employers to demonstrate proper classification. The bill increases penalties for misclassification, including potential fines up to \$10,000, requiring employers to pay 100% annual penalties on unpaid wages, and allowing for exemplary damages up to three times the amount of unpaid wages. Additionally, the bill establishes a new Wages and Fringe Benefits Fund in the state treasury,

through which collected penalties will be partially distributed to affected employees. The legislation also expands protections for workers who file complaints, making it illegal for employers to retaliate against employees who assert their rights under the act. The bill transfers regulatory oversight from the Department of Licensing and Regulatory Affairs to the Department of Labor and Economic Opportunity, signaling a more focused approach to labor law enforcement.

Relevancy: This bill is relevant to the auction industry because auction businesses often work with a mix of employees and independent contractors, such as part-time auctioneers, clerks, or setup crews. The bill's stricter definition of "independent contractor" and enhanced enforcement mechanisms would require auction companies to reassess how they classify their workers to avoid significant penalties. Misclassification could lead to costly fines, back wages, and damages, so businesses in the auction sector would need to carefully evaluate contracts, job roles, and supervisory practices to ensure compliance with the revised labor standards.

Bill: <u>MI HB4363</u>

Introduced By: Representative Pauline Wendzel (R-39)

Committee: Energy

Current Status & Last Action: Bill Electronically Reproduced 04/22/2025 (on 04/23/2025), NO NEW ACTION

Bill Summary: This bill proposes to completely repeal the Homeowners' Energy Policy Act (2024 PA 68), which was previously codified in Michigan law under sections MCL 559.301 to 559.317. By repealing the entire act, all provisions, regulations, and requirements established in the original legislation would be eliminated, effectively removing this specific homeowners' energy policy from the state's legal statutes. Without additional context about the original act's contents, the bill's purpose appears to be a straightforward removal of an existing law related to homeowners and energy policies, potentially signaling a change in approach to energy regulations or a determination that the original act is no longer necessary or relevant. **Relevancy:** This bill is relevant to the auction industry because the repeal of the Homeowners' Energy Policy Act could affect property features or energy-related installations—such as solar panels or energy-efficient systems—that are commonly included in real estate auctions. If the original act contained protections or standards related to energy upgrades on residential properties, its removal may impact how these features are valued, disclosed, or marketed at auction. Auctioneers involved in the sale of residential or mixed-use properties may need to stay informed about the regulatory landscape to accurately represent properties and advise clients.

Bill: <u>MI SB0279</u>

Introduced By: Senator Roger Victory (R-31) Committee: Economic and Community Development Current Status & Last Action: Referred To Committee On Economic And Community Development (on 05/01/2025), NO NEW ACTION **Bill Summary:** This bill creates an Office of Business Permitting Support within the Michigan Strategic Fund to help streamline and simplify the state permitting process for businesses. The office will have up to 5 full-time employees and will be responsible for assisting Michigan businesses in navigating state permit requirements, creating an integrated permitting system, and developing comprehensive resources for businesses. The bill establishes a Business Permitting Support Fund to finance the office's operations, which will be administered by the fund and cannot be redirected to the general fund at the end of each fiscal year. The office will create a website with step-by-step instructions for starting and operating a business in Michigan, provide contact information, and develop industry-specific permitting resources. State agencies that issue permits will be required to cooperate with the office by providing requested information and coordinating permit issuance. Additionally, the office must submit an annual report to the governor and legislature describing its activities and recommending improvements to the state's permitting processes to reduce burdens on businesses.

Relevancy: This bill is relevant to the auction industry because auction businesses often navigate complex state and local permitting processes. The creation of the Office of Business Permitting Support would streamline these processes, helping auction companies more efficiently obtain the necessary permits for events, property sales, or business operations. Auctioneers and businesses involved in large-scale auctions could benefit from the office's resources and guidance on compliance, potentially reducing administrative burdens and accelerating the permitting process.

NEW BILLS

Bill: <u>MI HB4491</u>

Introduced By: Representative Angela Rigas (R-79) **Committee:** Government Operations

Current Status & Last Action: Bill Electronically Reproduced 05/13/2025 (on 05/14/2025) **Bill Summary:** This bill amends the Michigan Strategic Fund Act to introduce new requirements for hiring and promotional practices for businesses seeking economic development assistance through two specific programs: the Critical Industry Program and the Michigan Strategic Site Readiness Program. The bill requires businesses applying for financial assistance to submit a "hiring and promotional practices form" that attests they use only merit-based hiring and promotion practices, defined as making employment decisions based on objective criteria like experience, education, and training. Businesses must commit to using these merit-based practices for either 5 years or the duration of their agreement with the fund, whichever is longer. If a business makes a false attestation, they could be charged with perjury and face a \$5,000 civil fine. The bill also modifies existing provisions of both programs to incorporate these new hiring practice requirements, such as preventing the fund from entering into agreements with businesses that do not comply with the merit-based hiring standards. These changes aim to ensure that economic development funds are only provided to businesses that demonstrate fair and objective employment practices.

Relevancy: This bill is relevant to the auction industry because auction businesses that seek state economic development assistance may now be required to demonstrate merit-based hiring and promotional practices. By mandating that applicants for programs like the Critical Industry Program and the Michigan Strategic Site Readiness Program use objective criteria—such as experience, education, and training—when making employment decisions, the bill introduces new compliance requirements for auction companies pursuing state funding. Auction businesses expanding operations, opening new facilities, or investing in strategic growth projects in Michigan may benefit from these programs, but must now ensure their HR policies align with the bill's standards. This could encourage more formalized hiring procedures within the industry, while also introducing potential legal and financial risks for non-compliance.

Bill: <u>MI HB4490</u>

Introduced By: Representative Joseph Fox (D-101)

Committee: Government Operations

Current Status & Last Action: Bill Electronically Reproduced 05/13/2025 (on 05/14/2025) **Bill Summary:** This bill amends the State Management and Budget Act to prohibit state agencies from awarding contracts to businesses that do not use merit-based hiring practices. Specifically, the bill requires that when a person submits a proposal for a state contract, they must attest under penalty of perjury that they use only hiring practices based on merit, which is defined as a reasonable expectation of job performance based on objective criteria like experience, education, and training. The bill adds new provisions to sections related to state contracts for construction, procurement, and other services, mandating that contractors submit a form affirming their hiring practices. If a contractor uses hiring practices based on criteria other than merit or fails to submit the required form, they will be ineligible to receive state contracts. The bill maintains existing preferences for disabled veterans in state contracting while introducing this new requirement for merit-based hiring. The changes aim to ensure that state contracts are awarded to businesses that make employment decisions based on an individual's qualifications and ability to perform job duties, rather than on other potentially discriminatory factors.

Relevancy: This bill is relevant to the auction industry because auction businesses that contract with state agencies—particularly for services such as asset liquidation, surplus property sales, or event management—may be impacted by the new merit-based hiring requirements. Under MI HB4490, companies must attest that they use only objective, merit-based criteria like experience, education, and training when making hiring decisions in order to be eligible for state contracts. Auction firms that rely on state business opportunities will need to formalize and document their hiring practices to comply with the bill's provisions. Failure to do so could result in ineligibility for future contracts, affecting revenue streams and growth opportunities tied to government work. By aligning with these standards, auction businesses not only maintain access to

public-sector contracts but also demonstrate a commitment to fair and equitable employment practices.

Bill: <u>MI HB4486</u>

Introduced By: Representative Steve Frisbie (R-44)

Committee: Energy

Current Status & Last Action: Bill Electronically Reproduced 05/08/2025 (on 05/13/2025) **Bill Summary:** This bill prevents municipalities (defined as counties, cities, villages, or townships) from adopting or enforcing any local ordinances, resolutions, or policies that would prohibit the use of natural gas or the installation of natural gas infrastructure within their jurisdictions. The bill defines "natural gas infrastructure" as any equipment, facility, or building used for transporting or distributing natural gas. Any local provisions adopted after the bill's effective date that attempt to ban natural gas usage or infrastructure will be automatically considered void and unenforceable. The legislation effectively ensures that local governments cannot restrict natural gas use, protecting the ability of residents and businesses to continue using natural gas as an energy source, regardless of local government preferences. This type of bill is part of a broader trend of state-level preemption laws that limit local governments' ability to regulate energy infrastructure and fuel sources.

Relevancy: This bill is relevant to the auction industry because auctioneers who sell real estate may be impacted by local regulations concerning utility access and energy infrastructure. MI HB4486 prohibits municipalities from banning the use or installation of natural gas infrastructure, which helps ensure that properties being auctioned—especially residential, commercial, or industrial real estate—retain access to natural gas regardless of local policy changes. This stability can make properties more marketable to potential buyers who prioritize or require natural gas for heating, cooking, or operations. By preventing local bans, the bill preserves the value and appeal of real estate sold at auction, particularly in areas where natural gas remains a preferred or cost-effective energy source.

Bill: <u>MI SB0301</u>

Introduced By: Senator Joseph Bellino (R-16)

Committee: Finance, Insurance, and Consumer Protection

Current Status & Last Action: Referred To Committee On Finance, Insurance, And Consumer Protection (on 05/13/2025)

Bill Summary: This bill creates a corporate tax credit to incentivize employers to provide paid leave for employees who are organ donors. Starting in tax year 2026, qualified employers can claim a tax credit equal to 100% of wages paid to employees during organ donation leave, with a maximum of 12 weeks per employee. To qualify, employers must have a written policy offering paid organ donation leave in addition to existing leave benefits, and the leave must be paid at the employee's full normal wage rate. An eligible employee must provide written physician verification of their organ donation status, and the leave can be used before, during, and after the

donation procedure. If the tax credit exceeds the employer's tax liability in a given year, the excess can be carried forward for up to three years. The bill applies to both traditional corporations and flow-through entities like partnerships, where individual members can claim a credit based on their share of business income. This legislation aims to remove financial barriers and support employees who choose to donate organs by ensuring they can take necessary time off without losing income.

Relevancy: This bill is relevant to the auction industry because it would allow auction businesses to claim a tax credit for providing paid leave to employees who become organ donors. It would incentivize auction companies—many of which are small businesses—to adopt leave policies that support employees through the organ donation process without bearing the full financial burden. It would cover up to 12 weeks of paid leave per employee at their full wage, helping auction firms retain valuable staff while demonstrating a commitment to employee well-being. It would also apply to both corporations and flow-through entities, making it accessible to a wide range of auction business structures.

Bill: <u>MI SB0307</u>

Introduced By: Senator Rosemary Bayer (D-13)

Committee: Energy and Environment

Current Status & Last Action: Referred To Committee On Energy And Environment (on 05/15/2025)

Bill Summary: This bill amends the Michigan Consumer Protection Act to introduce new requirements for labeling plumbing products containing lead. Specifically, the bill mandates that any plumbing product that is not "lead free" must have a prominent label disclosing the presence of lead, which must be visible to consumers before purchase and placed either on the product itself or its packaging. The manufacturer is responsible for ensuring proper labeling. The bill also prohibits sellers from claiming a product contains "zero lead" unless absolutely no lead is used in its manufacturing process. The bill defines "lead free" as having lead leaching that is undetectable by the NSF/ANSI/CAN 61: Q = 1 standard, and "plumbing product" as defined in federal regulations (40 CFR 143.11). The new labeling requirement is designed to provide consumers with clear information about the lead content of plumbing fixtures, helping them make informed purchasing decisions about potential health risks. The bill does not override existing laws that may prohibit the sale of certain lead-containing products, ensuring consumer safety remains a priority.

Relevancy: This bill is relevant to the auction industry because it would affect auctioneers who sell real estate that includes plumbing fixtures or who auction surplus building materials, including plumbing products. It would require clear labeling of any non–lead-free plumbing items, making auction companies responsible for ensuring that listed products comply with disclosure rules if they are reselling or facilitating the sale of such items. This would help protect buyers by providing transparent information about potential health risks and could reduce liability for auctioneers by promoting compliance with consumer protection standards. It would

also impact how auctioneers describe and market plumbing-related inventory, especially in auctions involving estate sales, construction surplus, or property liquidations.

Bill: <u>MI SB0305</u>

Introduced By: Senator Stephanie Chang (D-3)

Committee: Energy and Environment

Current Status & Last Action: Referred To Committee On Energy And Environment (on 05/15/2025)

Bill Summary: This bill creates an Air Quality Enforcement and Mitigation (AQEM) fund to more effectively address environmental pollution and its impact on disadvantaged communities. The bill establishes that civil and administrative fines related to air quality violations will be deposited into this fund, with 20% allocated to the department's air monitoring and grant administration functions, and 80% dedicated to community impact grants. These grants can be used for air pollution mitigation efforts such as installing air filtration systems, creating vegetative buffers, conducting health impact assessments, and developing educational programs in environmental justice communities—areas identified as facing disproportionate environmental burdens. The department will create a grant program and guidelines in consultation with an advisory committee that includes public health experts, environmental justice representatives, local health departments, community residents, and industry professionals. The bill requires annual public reporting on grant awards and mandates a community engagement process to identify environmental justice communities. Importantly, companies that commit to supplemental environmental projects as part of a settlement can have those project costs excluded from fine calculations, incentivizing proactive pollution reduction efforts. The law will take effect 90 days after enactment.

Relevancy: This bill is relevant to the auction industry because it would direct resources toward improving air quality in disadvantaged communities, which could impact real estate values and the marketability of properties sold at auction. MI SB0305 would establish the Air Quality Enforcement and Mitigation (AQEM) fund, which could lead to air pollution mitigation projects—such as filtration systems or vegetative buffers—in areas where industrial or commercial properties are commonly auctioned. It would help improve environmental conditions in these communities, potentially increasing buyer interest and property values over time. It would also incentivize businesses, including those involved in auctions of industrial assets or facilities, to pursue supplemental environmental projects as part of compliance strategies, possibly reducing penalties and enhancing public trust.

Bill: <u>MI SB0305</u>

Introduced By: Senator Sue Shink (D-14) Committee: Energy and Environment Current Status & Last Action: Referred To Committee On Natural Resources And Agriculture (on 05/13/2025) **Bill Summary:** This bill creates the "Agricultural Equipment Repair Act," which requires original equipment manufacturers (OEMs) of agricultural equipment to make diagnostic, maintenance, and repair parts, tools, and documentation available to independent repair providers and equipment owners at fair and reasonable costs and terms, starting January 1, 2027. The bill defines agricultural equipment as machinery specifically designed for farm or ranch use, such as tractors, combines, and sprayers, while explicitly excluding vehicles designed for highway transportation, off-highway vehicles, personal watercraft, snowmobiles, and construction equipment. The legislation mandates that OEMs provide necessary repair information and tools, but with some important limitations: they are not required to divulge trade secrets, provide parts used only in product development, or enable repairs that would violate safety or emission standards. The bill allows the attorney general to take legal action against OEMs who do not comply, with potential civil fines up to \$25,000 per violation. Additionally, the bill includes a provision that if a nationwide memorandum of understanding about agricultural equipment repair exists, that agreement will govern repair rights. Importantly, OEMs and authorized repair providers are not liable for improper repairs performed by independent providers, ensuring that the expanded repair access does not create undue legal risk for manufacturers. Relevancy: This bill is relevant to the auction industry because it would expand access to repair tools and information for agricultural equipment, which is frequently bought and sold at farm and equipment auctions. MI SB0305 would make it easier for auction buyers-including

farmers, independent mechanics, and resellers—to diagnose and repair used machinery like tractors and combines without relying solely on manufacturer-authorized service providers. This would increase the appeal and value of agricultural equipment sold at auction by reducing long-term maintenance costs and improving post-sale usability. It would also give auctioneers greater confidence when marketing used equipment, knowing buyers will have the means to maintain and repair it independently.