

ACEC/MICHIGAN LEGISLATIVE UPDATE

At-a-Glance Status Chart — September 2026

This chart tracks outstanding legislative and regulatory issues for ACEC/Michigan members. Reflects information available through September 14. Bill numbers are hyperlinked to official bill pages.

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. New international ammunition for the case: FIDIC's September 2026 global report found QBS-procured projects are 50% more likely to meet all construction milestones, achieve 89% owner satisfaction, and are 23% more likely to deliver innovative solutions — noting design fees are just 1-2% of a project's lifetime cost, while operations, maintenance, and rehabilitation account for up to 85%. ACEC/Michigan is actively pushing for a committee hearing given the limited legislative schedule through the election (see Other State Developments). 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.
HB 5940	Highway ROW for Electric Transmission Lines	Passed House Unanimously — To Senate	Monitoring	Sponsored by Rep. Prestin (R-Cedar River), this bill would allow aboveground high-voltage transmission lines within limited-access highway rights-of-way, provided they meet State Transportation Commission and MPSC standards. MDOT would be required, when requested by a utility or transmission company, to help identify viable highway corridors and jointly prepare a constructability report covering construction terms and an agreed period during which MDOT would avoid requiring relocation. MDOT would also have to share information about planned highway projects that could affect a proposed transmission route. Supporters (including NextGen Highways and the Michigan Conservative Energy Forum) argue the approach can reduce the need for new easements, eminent domain, and private-property or farmland acquisition while helping meet growing electricity demand and speeding project delivery. Relevant to member firms working in transmission siting, utility coordination, and highway design who may see new MDOT joint-planning requirements and opportunities.

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.
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.

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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. ACEC/Michigan is actively pushing for a committee hearing given the limited legislative schedule through the election (see Other State Developments).
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.
HB 6058	Multistate Occupational Licensure Reciprocity	In House Regulatory Reform — FLAGGED	WATCH — Licensure Standards Concern	Introduced by Reps. Aragona and Tisdell, this bill would add a new Section 216 to the Occupational Code (broadly applicable across licensed professions, not a single-occupation bill) requiring LARA to issue a Michigan license without examination to an out-of-state licensee, based only on that other state's requirements — not Michigan's. Michigan-specific examination is left to the department's discretion ("may," not "must"). Member firms have raised concern that this could allow individuals licensed under a materially weaker out-of-state standard — for example, a state relying on apprenticeship rather than an accredited engineering degree and PE exam — to obtain a Michigan PE license without meeting Michigan's requirements. This differs from established interstate licensure compacts (which set uniform minimum standards) by deferring entirely to the other state's threshold, however low. Sitting in House Regulatory Reform; ACEC/Michigan is reviewing and gathering member feedback.
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.
Water Affordability Legislation (Sen. Chang)	Statewide Water Assistance Program	Sen. Chang: "Votes Are There" in Senate	Monitoring	Sen. Stephanie Chang (D-Detroit) says the votes exist in the Senate, including some Republicans, to pass her water affordability legislation. A July 2026 EPIC-MRA poll (funded by NRDC) found 87% of Democrats and 77% of Republicans support a \$1.25 monthly charge to fund low-income water assistance, rising a quarter annually until inflation-adjusted after 2028. Local water providers could collect and forward the charge to the state health department, manage their own program, raise money through a non-charge local option, or opt out entirely if serving 6,000 or fewer water meters. An earlier version failed to reach the Senate floor in 2023-24 amid opposition from local governments, including Macomb County's Candice Miller, who argues communities with existing assistance programs (like GLWA's WRAP) shouldn't be forced into a statewide system. Relevant to water/wastewater engineering members given the connection to utility revenue structures, assistance-program administration, and state health department program design.

Bill(s)	Subject	Status	ACEC/Michigan Position	What It Means / Next Step
Data Center Regulation Bills	Data Center Water Use, Ratepayer & Siting Rules	No Hearings Held — Competing Proposals	Monitoring	Three competing approaches remain stalled without a single hearing: a House Democratic package would impose water usage, reporting, decommissioning, and site remediation requirements on data centers; a Senate Democratic package led by Sen. Kevin Hertel (D-St. Clair Shores) aims for ratepayer protection, process transparency, and corporate accountability, drawing on other states' experience; and Sen. Jim Runestad (R-White Lake) has introduced a moratorium bill to pause new approvals while the state works out regulations, arguing the Democratic packages are “for show” and prioritizing NDA transparency and preventing cost-shifts to ratepayers. Hertel wants a full package passed this year and calls a moratorium “kicking the can down the road”; Runestad believes a moratorium would force developers to the table for serious talks. The underlying regulatory benchmark is the PSC's December 2025 approval of DTE's contracts for the Saline Township hyperscale data center — a 19-year minimum term (versus a standard 5), an 80% minimum billing demand (versus the traditional 50-60%), and termination payments of up to 10 years of billing demand if the facility closes early. PSC Chair Dan Scripps has urged the Legislature to codify those stipulations, which he calls among the strongest ratepayer protections of any state. Relevant to member firms doing power systems, civil, and site development work tied to data center projects. New August EPIC-MRA polling (commissioned by Climate Power) shows why the issue carries bipartisan weight: only 20% of likely November voters support data center development statewide versus 62% opposed, with opposition holding above 50% across every party, region, age group, and income bracket polled. Opposition to federal tax incentives for data centers is even more lopsided — 73% opposed, including majorities of Democrats, Republicans, and independents alike. Both gubernatorial candidates have now staked out positions: Benson has pledged a data center moratorium until rules require open community negotiation, payment for power used, and water-use limits, and supports repealing the 2024 tax exemptions (aligning her with Sen. Runestad); James favors similar guardrails (brownfield siting, ratepayer and water protections, developer-funded infrastructure) but resists a firm moratorium pledge, preferring local control over a Lansing mandate, and has not called for repealing the tax exemptions. Both candidates carry data center-related conflicts: Benson's husband is an executive at the firm developing the Saline Township Stargate project, while James has drawn scrutiny over past contributions from a Stargate contractor's donor network.

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HB 6256	Local Infrastructure Disaster Relief Fund	Newly Introduced — CRA Priority	Monitoring	Introduced by Rep. MacDonell (D-Oakland), this bill would amend the Michigan Transportation Fund to establish a dedicated Local Infrastructure Disaster Relief Fund, helping county and municipal road agencies cover the cost of repairing infrastructure damaged by major disasters when other funding sources are unavailable or insufficient. The County Road Association and Michigan Municipal League have long supported a dedicated disaster relief fund for a more reliable state fiscal response when disasters overwhelm local road budgets; this is the third such introduction, and lame-duck prospects remain uncertain. A CRA legislative priority.

OTHER STATE DEVELOPMENTS

- Michigan Legislature plans a very limited schedule through the election:** Lawmakers are planning minimal session activity between now and November, with considerably more legislative activity expected afterward; the schedule could still change if emerging issues require a return to Lansing. The Senate returned this week (Wednesday-Thursday) for its first regular session since passing the FY27 budget in the overnight July 2-3 session, with multiple additional weeks of Senate session scheduled before November 3 — though the Legislature historically holds few voting session days after Labor Day in election years. The House most recently met August 25-26 and is next scheduled for September 15-17. Committees are being scheduled, but it remains unclear how many will meet over the next month. ACEC/Michigan is actively pushing for committee hearings on its two remaining priority bills, HB 4774 (QBS) and HB 5577 (State Plane Coordinate System), given how few session days remain this year.
- Whitmer pushes for housing action in her final stretch:** Asked what she expects from the Legislature in her remaining time in office, Governor Whitmer said she'd like to see more done on housing, including determining how to deploy resources potentially available from legal settlements. Housing has been a recurring priority in her final year, including past calls for a state affordable housing tax credit and additional changes to make home construction easier. She acknowledged few session days remain before November and that the Legislature's plans remain fluid.
- New FHWA Michigan Division Administrator confirmed:** Rachael Tupica has officially accepted the Federal Highway Administration's Michigan Division Administrator position, effective immediately, and will continue coordinating the federal-aid highway program with MDOT. A federal partner worth knowing as surface transportation reauthorization and the advance-appropriations fight continue (see Federal Legislation & Advocacy).
- MLPP workforce report calls for public transit investment:** The Michigan League for Public Policy's 2026 Labor Day Snapshot, examining the state's labor market challenges (5% unemployment versus a 4.2% national average, and 1.2 job seekers per opening), recommended investing in public transit — alongside childcare, schools, and reduced post-secondary costs — as a way to remove barriers to employment and help more Michiganders get to work. A workforce-policy argument for transit investment worth noting alongside the funding and reauthorization questions already tracked in this update.
- Wholesale marijuana tax — a transportation funding pillar — becomes a campaign question:** John James has made repeal or a sharp reduction part of his 'fair taxes' platform, arguing the tax 'drives up prices, gives illegal operators a competitive edge, and has already fallen far short of revenue projections' — the tax was projected to collect \$420 million, a figure that remains debated, and the Cannabis Industry Association has separately argued it functions as an improper multiple sales tax. James has not identified a replacement road funding source. Jocelyn Benson says she wants a 'wholesale review of how we're generating revenue to the state' before taking a position, weighing industry impact against any cost increases. The tax matters beyond the marijuana industry: it is one of three revenue sources, alongside the adjusted gas tax and a Corporate Income Tax earmark, funding the October 2025 Transportation Funding Package that drove the FY27 transportation budget increase and the Neighborhood Roads Fund. Its future could affect the durability of that funding stream depending on the November outcome and any subsequent legislative action.
- Line 5: EGLE agrees to reopen tunnel permit review, Whitmer tells Enbridge tunnel isn't guaranteed:** Responding to pressure from environmental groups, tribes, and local businesses following the Michigan Supreme Court's July 31 ruling, Whitmer and EGLE Director Phil Roos announced the department will review the July 15 tunnel permits in light of the Court's finding that the MPSC's own permit review was too narrow. EGLE's permit conditions already bar tunnel-entrance construction from proceeding until the legal questions are resolved. In a letter to Enbridge CEO Gregory Ebel, Whitmer said the company's decade-plus tunnel timeline can no longer justify continued pipeline operation and urged Enbridge to pursue a faster alternative; Enbridge responded that it "already have[s] an agreement with the State of Michigan" and that the Army Corps completed a six-year federal environmental review approving the project. No permits have been withdrawn or revoked to date.

- **Senate passes reintroduced nine vetoed bills; House prospects remain poor:** The Senate passed new versions of all nine bills Whitmer vetoed in July (SB 1133-1141), covering corrections/public safety pension expansion, public employer health cost-sharing, wage garnishment and bankruptcy protections, and Detroit museum millage authority, with the pension bills drawing bipartisan support (27-8) and the others passing on narrower or party-line votes. Speaker Hall called the vote a "campaign stunt" and said Democrats would need to negotiate on his priorities — eliminating state property taxes, lowering electric rates, and a hospital cost review board — to see movement; Senate Majority Leader Brinks was not optimistic about further negotiation this term. The bills are considered likely dead on arrival in the House.
- **MDOT locks in final \$778.8M in Rebuilding Michigan bond financing:** The State Transportation Commission's resolution combined the \$3.5 billion Rebuilding Michigan bond program's principal with investment premium and interest, bringing total financing to \$4.3 billion and securing the funding needed to complete the program's remaining projects. More than 36 of 47 projects are expected substantially complete by the end of 2026, with the remainder bid out in early 2027; notable corridors include I-275 (Wayne), I-696 (Oakland), I-496 (Eaton/Ingham), US-131 (Kent), and I-475 (Genesee). Concrete near-term project and construction-engineering visibility for member firms.
- **AG Nessel joins lawsuits challenging federal endangered species habitat rules:** Attorney General Dana Nessel joined 20 other state attorneys general in two lawsuits challenging U.S. Fish and Wildlife Service rule changes: one narrows what counts as prohibited "harm" to a species by no longer treating significant habitat damage as harm, and the other ends automatic protections for newly listed threatened species and changes how critical habitat is designated. Michigan has 26 plant and animal species listed as threatened or endangered. Relevant to member firms whose projects require Endangered Species Act review or habitat assessments, since the litigation's outcome could affect permitting scope and timelines.

FEDERAL LEGISLATION & ADVOCACY

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 — House Floor Vote Now Unlikely Before November	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 IJIA; ~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. A short-term CR extending base transportation programs has since passed both chambers while negotiations continue on the long-term bill (see IJIA Expiration row). House leadership has since announced it will not be in session the weeks of September 21 and 28, leaving only one working week before the midterm elections — making it all but certain the House will not take up the bill before November. Floor action, if it happens this year, would most likely come during the post-election lame-duck session. ACEC's grassroots alert remains live — contact your Representative in support of floor action.

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IJA Expiration	Highway & Transit Authorization	CR SIGNED INTO LAW Through Dec. 11 — Supplemental Funding Still at Risk	Support Full Reauthorization	Congress avoided the September 30 shutdown and highway/transit funding cliff via a bipartisan CR (Senate 90-6, House 370-48, signed into law), extending government funding and highway/transit program authority through December 11. What remains genuinely unresolved: The CR does not, however, extend the IJA's \$36.8 billion in annual advance supplemental appropriations — a distinct funding stream from the ~\$80 billion in Highway Trust Fund formula programs, split roughly 30% formula and 70% competitive discretionary grants, covering bridges, EV charging, transit capital, rail, ports, and airports. A Senate Appropriations Committee fact sheet shows Michigan alone stands to immediately lose an estimated \$219.5 million in FY27 formula funding across 10 programs if the supplemental funding lapses, on top of cuts to oversubscribed competitive programs like BUILD, CRISI, and INFRA. ACEC joined 60 coalition partners in a July 27 letter urging Congress to preserve these funds, and that advocacy is gaining traction: the bipartisan co-chairs of the Problem Solvers Caucus sent House leaders a letter supporting restoration of the supplemental appropriations. On the long-term reauthorization front, T&I Chairman Sam Graves reaffirmed that passing a multi-year bill remains a top priority, and Speaker Johnson and Majority Whip Emmer have both signaled surface transportation reauthorization remains on the House's priority list for the rest of this Congress. Secretary Duffy's proposal to remove transit from the Trust Fund has already been rejected by committee leaders in both chambers.
IJA Water Authorization	SRF / Water & Wastewater Funding Cliff	Authorization Lapses Sept. 30 — WRDA Reauthorization Pending	Support Full Reauthorization	The IJA'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 September 30 — and unlike the highway and transit programs, this water title was not covered by the CR that extended surface transportation authority, so it is on track to lapse on schedule. Combined with annual appropriations, IJA 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 IJA, 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, and with an active PSC proceeding: Consumers Energy voluntarily extended by 60 days its own timeline for the proposed sale of 13 hydroelectric dams to Confluence Hydro, pushing the PSC's decision from September to November to allow further stakeholder talks. Confluence would seek renewed federal operating licenses and a 30-year power purchase agreement with Consumers. Supporters cite local tourism and recreation benefits; opponents point to the 2020 Edenville/Sanford failures and argue a private buyer would gain the upside while the state bears long-term risk.

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OMB Federal Financial Assistance Rule	Federal Grants & Cooperative Agreement Rules	Finalization Blocked Through Dec. 11	Monitoring	OMB's proposed rewrite of the Uniform Guidance (2 CFR 200) as the new "Uniform Grants Regulation" would discourage cost-reimbursement contracts, eliminate fixed amount awards and subawards, expand agencies' discretionary authority to terminate awards for "agency priorities" or the "national interest," and restrict allowable costs for advertising, conferences, and publications. ACEC filed formal comments on July 13 supporting the fixed-price preference but raising concerns about administrative burden, project funding certainty for multi-year infrastructure work, and restrictions on industry knowledge-sharing. The Senate's CR includes a provision blocking OMB from finalizing or implementing the rule for the duration of the extension, through December 11; ACEC anticipates additional legislative efforts to curtail the rule after that date.
SBA Small Business Size Standards	Federal Small Business Contracting Eligibility	Comment Period Closed — Final Rule Pending	Monitoring	On August 20, SBA published a proposed rule in the Federal Register that would dramatically increase small business size standards across engineering, architecture, surveying, and environmental consulting NAICS codes, replacing SBA's more modest August 2025 proposal with a revised methodology. Most significant for member firms: Engineering Services (NAICS 541330) would rise from \$25.5M to \$252M in average annual receipts — nearly ten times the current threshold. Other affected codes include Architectural Services (\$12.5M → \$135M), Environmental Consulting (\$19M → \$295M), Surveying & Mapping (\$19M → \$92M), and Geophysical Surveying & Mapping (\$28.5M → \$204M). If finalized, these changes would let far larger firms compete as "small businesses" for federal set-aside contracts, with significant implications for the federal contracting marketplace. The comment period closes September 21, 2026, and a final rule has not yet been issued. SBA held a virtual public forum on September 17 to hear testimony on the proposal. ACEC's planned September 9 meeting with SBA's Ryan Lambert (Associate Administrator, Office of Government Contracting and Business Development) was postponed, likely related to SBA reorganization, and ACEC is working to reschedule. Separately, ACEC's Size Standard Task Force did meet September 9 and coalesced around a consensus set of principles opposing the rule as proposed: engineering size standards should cover only real-property and civil infrastructure design firms (not aerospace or computer engineering); engineering selection should rely on Qualifications-Based Selection rather than firm size; business structure (LLCs, S-corps, ESOPs) and the industry's engineer shortage need accounting for; and small business policy should encourage growth and successful project outcomes without creating uncertainty for firms of any size. The Task Force meets again September 16; firms with federal contracting experience can contact Bradley Saull (bsaull@acec.org) to participate.

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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: Both Lansing and Washington have effectively shifted into election-year holding patterns. Michigan lawmakers are planning minimal session activity through November, narrowing the window for HB 4774 (QBS), HB 5577, dam safety reform, and the stalled data center regulation bills. In Washington, a House calendar change leaves only one working week before the midterms, making it all but certain the House will not take up the BUILD America 250 Act before the post-election lame-duck session — where it will join the IJA's unresolved supplemental appropriations, the lapsed water infrastructure authorization, and WRDA 2026. Watch for ACEC grassroots alerts as those fights resume after the election, and note that Michigan's November 3 general election — for Governor, U.S. Senate, and the state Legislature — remains a live factor shaping next year's agenda (see Other State Developments).

Prepared for the membership of ACEC/Michigan. Michigan bill links point to legislature.mi.gov; federal bill links point to [Congress.gov](https://www.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.

SUPPORT ACEC/MICHIGAN'S ADVOCACY — CONTRIBUTE TO CEPAC AND THE ACEC PAC

Every priority in this update — QBS support, opposition to a services tax on engineering, dam safety funding, surface transportation reauthorization, and more — is advanced through direct relationships with the candidates and lawmakers who decide these issues. PAC contributions are how ACEC/Michigan members translate advocacy into influence, at both the state and federal level.

ACEC/Michigan State PAC (CEPAC): Supports state candidates who back a strong business environment for private engineering firms in Michigan. Only individuals — not companies — may contribute, unless the firm is a sole proprietorship or partnership. Give by personal check or personal credit card.

ACEC Political Action Committee (Federal): Established in 1975, the bipartisan ACEC PAC supports members of Congress who champion infrastructure investment and QBS nationally. Each state, including Michigan, has a PAC Trustee helping meet ACEC National's annual state PAC goal.

Contribute to either fund, find forms, and give securely online: [PAC Contributions — ACEC/Michigan](#)