



2026 MICHIGAN MAIN STREET AGENDA

NFIB's focus will continue to work with legislators to move policies that provide small businesses a fair and stable environment that encourages job creation and growth. This includes halting any legislation that is detrimental to a small business' ability to thrive and work on reversing damaging policies put in place by the previous legislature. NFIB will continue to work with policymakers to understand the unique challenges facing small business owners in Michigan.

Small Business Exemption in the Earned Sick Time Act (ESTA)

Small business is grateful for the changes made to ESTA, which make it more flexible for employers and employees and the elimination of the presumption of guilt and right to sue. However, despite the best efforts of the House majority, one thing remains – a pure exemption for Michigan's smallest businesses. NFIB will continue to advocate for a small business exemption during this legislature and moving forward.

Restore Michigan's Legal Climate and Curb Lawsuit Abuse

After decades of a fair and balanced legal climate, Michigan now has a Supreme Court who have been legislating from the bench, rather than respecting laws as written. Recent decisions from the Michigan Supreme Court have had a significant impact on small business owners, including reinstating an increase in the minimum wage and earned sick time as well as infringing on personal property rights. NFIB is actively working to counteract these damaging decisions, including legislation that would reinstate the "open and obvious" doctrine for premises liability that was struck down by the court in 2023, as well as other preemptive measures that would curb lawsuit abuse and hold trial lawyers in check.

Property Tax Reform Including Personal Property Tax

As Michigan streamlined its tax system last decade with the elimination of the Michigan Business Tax (MBT), ever increasing property taxes have become a significant problem for small business owners. In addition, the personal property tax (PPT) remains an unfair tax and administrative nightmare for those small businesses that are still required to pay it. NFIB supports meaningful reforms that will reduce costs for small business and encourage investment, rather than tax it.

Stop Additional Regulatory Burdens on Small Business

In addition to labor and environmental mandates, legislation continues to be introduced that further adds to the regulatory burdens on small businesses, including a number of bills that would have harmful effects on landlords and housing, notification requirements/posters for non-employer related items, and increased licensing requirements. Due to lack of staff, small business owners often serve in multiple roles including HR and compliance. Because of this, the regulatory impact on a small business can be 10%-20% more than larger businesses. NFIB will continue to fight against additional and unnecessary regulations that hurt small businesses.

Streamline Permitting and Licensing & Halt Attempts to Use Get Around the Legislature

The web of permitting and licensure in the state is detrimental to entrepreneurship in Michigan. Beyond that, the Administration and departments have consistently used agency rules instead of going through the legislature to pass certain policies. For instance, the Administration has tried to use rules governing the licensing requirements for a business to require labor union membership for their employees. Making laws via rules, through agencies run by unelected bureaucrats protected by civil service and unaccountable to voters, is a formula for disaster, no matter which party is in power.

Work to Curtail Healthcare Costs

While most meaningful reform will need to take place at the federal level, the legislature can help mitigate the cost of healthcare by refusing to pass any state specific healthcare mandates. There is also an opportunity to provide oversight and transparency in regard to patient costs in the major non-profit hospital systems in Michigan.

Reign in Spending and Avert Potential Tax Increases & Use Ongoing Budget Surpluses for Broad-Based Tax Cuts to Help Small Business

The massive increase in spending (over 30% compared to 2019) that happened during the past legislature was halted, but more fiscal restraint must be exercised in order to prevent future tax increases. With future budget surpluses, legislators need to remember that tax dollars are paid by Michigan citizens and should be treated with prudence. NFIB is committed to working with policymakers to pass meaningful broad-based tax cuts for small business without creating new taxes or fees and without picking winners and losers.

Pursue Policies That Reduce Sky-Rocketing Energy Costs

Support the building of Line 5, repeal the damaging and costly energy policy passed in 2023, and oppose any unreasonable environmental policies that will lead to increased costs and additional regulatory burdens, including banning of gas appliances.

Roll Back Increases to Unemployment Insurance (UI) Benefits

In 2024, the legislature increased the unemployment insurance weekly benefits from \$364 to \$614 over three years and indexes it to on thereafter. It also increases the duration from 20 to 26 weeks. NFIB believes the increase in benefits goes too far too fast and should be changed in order to prevent tax increases for small employers and protect the integrity of the 100% employer funded UI Trust Fund.

Halt The Micro-Management of the Employer-Employee Relationship

Attempts to micro-manage how an employer compensates, schedules, manages, and hires their employees has never been more prevalent at all levels of government. These kinds of regulations and requirements are especially burdensome to small businesses that do not have the staff or money to dedicate to compliance and recordkeeping, let alone the payroll costs of the requirements. NFIB will continue to defend the rights of small business owners and their employees to have the flexibility to determine what works best for them. NFIB opposed policies include 14 week paid family medical leave, predictive scheduling, and mandated job descriptions.

Oppose Elimination of Independent Contractors (1099 Employees & Sole Proprietors)

Senate Bill 6 would hold Michigan's independent contractors (1099 employees) to the same standard used in California – which would essentially eliminate independent contractors. By eliminating independent contractors, the legislature would likely put a large majority of small business owners who are sole proprietors out of business. In addition, many small business owners engage independent contractors because the amount of work they need is not enough to employ someone full-time.

Prevent Unfair Fines and Penalties for Wage and Hour Errors

Bills have been introduced that would substantially increase fines and penalties for employers who make wage and hour errors, including the potential for felony charges. Most mistakes made by small businesses are not intentional or malicious. NFIB has long advocated for leniency and cooperation between regulatory enforcement agencies and small business owners, unless there is clear evidence of malicious intent.

Oppose Rollback of Workers Compensation Reforms

NFIB opposes legislation introduced last session that would have eliminated the 2011 reforms, changed and watered down the definition of disability, and allowed claims going back to the 1990s. NFIB believes that the 2011 reforms struck a balance between being sure that those hurt on the job were provided for but limiting unwarranted costs. Small businesses are especially vulnerable to not only higher premiums, but the cost of fighting claims from unscrupulous trial attorneys. While this is not currently a threat due to the makeup of the legislature, NFIB remains on high alert for any negative changes to workers compensation.

Halt Extreme Environmental Policies

Beyond oversight and limit powers of the MI Department of Environment, Great Lakes, and Energy (DEGLE) there are a variety of environmental policies that continue to be introduced that would be detrimental for small businesses and infringe on property rights for small businesses; these include limits on water withdrawal and ability for local government to institute taxes for rain and sewer issues with no oversight or input from citizens.