



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383

Fax: (517) 373-1986

House Bill 4420 (Substitute H-2 as passed by the House)

Sponsor: Representative Tom Kunse

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 10-13-25

CONTENT

The bill would amend the Management and Budget Act to prescribe conditions related to enhancement grants, sometimes referred to as 'earmarks'. The bill would require all of the following:

- That an enhancement grant included in a budget bill be published on the Department of Technology, Management, and Budget (DTMB's) webpage by April 1 (or the next business day) of the calendar year in which the grant was considered, and not less than 14 days before passage of a budget bill.
- A sponsor of an enhancement grant to provide the sponsoring legislator's name, cosponsors, intended grant recipient, the recipient's physical address, the affected districts (along with corresponding senators and representatives), amount requested, purpose, how the grant would provide a public benefit that was an appropriate use of taxpayer money, whether the grant recipient had received any other types of funding, and the project's estimated completion time.
- Additional information required of nonprofit organizations.
- Certification by sponsoring legislator(s). This information would certify that the legislator, his or her immediate family, or staff would have no pecuniary interest in the grant, and it would be submitted to the DTMB. The DTMB would have to provide the form to the chairs of the appropriations committees and to the fiscal agencies.
- That for-profit businesses would not be eligible for enhancement grants.
- That not-for-profit organizations would be eligible only if they had continuously operated in Michigan for at least the preceding 36 months, had a physical office in Michigan for at least a year, and had a board of directors.
- That an enhancement grant not be used to pay a tax lien or delinquent taxes.

Further, the bill would require the DTMB to develop a webpage to display the completed public disclosures required under the bill. For calendar year 2026, the posting would have to occur within 10 days after the development of the webpage; otherwise, the posting would have to occur 10 days after the DTMB received the public disclosure. Within 30 days after an enhancement grant was appropriated to a State agency, the DTMB would have to update the public webpage to include the amount appropriated and the status of the funding.

The bill would require nonprofits to provide tax forms within 30 days after an enhancement grant was appropriated to that organization. Further, the DTMB would be required to post those forms to its webpage.

"Enhancement grant" would mean an appropriation that authorizes or obligates funding for a contract, grant, loan, or other economic incentive, assistance, or expenditure to a specific person, organization, unit of local government, or project in a manner other than through a formula or competitive basis. The bill also would define "immediate family member", "legislator", and "staff member".

The bill would take effect on January 1, 2026.

Proposed MCL 18.1365a

FISCAL IMPACT

The bill likely would have minimal fiscal impact on the DTMB.

Fiscal Analyst: Kathryn Summers

SAS\S2526\s4420sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.