

SENATE BILL NO. 644

October 30, 2025, Introduced by Senators VICTORY and ALBERT and referred to Committee on Government Operations.

A bill to amend 2018 PA 540, entitled
"Economic development incentive evaluation act,"
by amending sections 3, 5, and 7 (MCL 18.1753, 18.1755, and
18.1757).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Contractor" means the private entity, nonprofit entity,
- 3 or academic institution selected by the department under section 5
- 4 to evaluate certain economic development incentives.

(b) "Bureau" means the bureau of fair competition and free enterprise created in section 7 of the economic development fair competition and free enterprise act.

(c) ~~(b)~~—"Department" means the department of technology, management, and budget.

(d) ~~(e)~~—"Economic development incentive" means the abatements, tax credits, exemptions, grants, loans, or loan guarantees related to economic development activities in this state, as determined by the ~~Michigan strategic fund~~ **bureau**, provided under the following acts:

(i) The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601.

(ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.713~~ **206.847**.

(iii) 1974 PA 198, MCL 207.551 to 207.572.

(iv) The commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

(v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

(vi) 1953 PA 189, MCL 211.181 to 211.182.

(vii) The technology park development act, 1984 PA 385, MCL 207.701 to 207.718.

(viii) Part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

(ix) The neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

(x) The city utility users tax act, 1990 PA 100, MCL 141.1151 to 141.1177.

(xi) The city income tax act, 1964 PA 284, MCL 141.501 to

1 141.787.

2 (xii) The general property tax act, 1893 PA 206, MCL 211.1 to
3 211.155.

4 (xiii) The Michigan economic growth authority act, 1995 PA 24,
5 MCL 207.801 to 207.810.

6 (xiv) The Michigan renaissance zone act, 1996 PA 376, MCL
7 125.2681 to 125.2696.

8 (xv) The obsolete property rehabilitation act, 2000 PA 146, MCL
9 125.2781 to 125.2797.

10 (xvi) The brownfield redevelopment financing act, 1996 PA 381,
11 MCL 125.2651 to 125.2670.

12 (xvii) ~~The Michigan strategic fund act, Former~~ 1984 PA 270. ~~7~~
13 ~~MCL 125.2001 to 125.2094.~~

14 (xviii) Any new economic development programs as determined by
15 the ~~Michigan strategic fund bureau.~~

16 (e) ~~(d)~~ "Exclusive economic development incentive" means an
17 economic development incentive that is intended to encourage a
18 single specific entity, project, or associated projects to locate,
19 expand, invest, or remain in this state or to hire or retain
20 employees in this state as determined by the strategic fund.

21 ~~(c) "The strategic fund" means the fund under the Michigan~~
22 ~~strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.~~

23 Sec. 5. (1) The department shall contract with 1 or more
24 contractors for the periodic evaluation of economic development
25 incentives. The department along with the department of treasury
26 and the ~~Michigan strategic fund bureau~~ shall develop a scope of
27 services for a request for proposals for professional services
28 necessary to complete the economic development incentive
29 evaluations under this act. The department may solicit input from a

1 local governmental unit or 1 or more public agencies, as those
 2 terms are defined in section 2 of the urban cooperation act of
 3 1967, 1967 (Ex Sess) PA 7, MCL 124.502, ~~or a Michigan economic~~
 4 ~~development corporation corporate partner,~~ in developing the scope
 5 of services for a request for proposal for professional services
 6 necessary to complete an economic development incentive evaluation
 7 under this act. When selecting a contractor, the department shall
 8 consider the ability for economic development incentive evaluations
 9 to be done in an objective manner.

10 (2) The contractor ~~will~~**must** complete the economic development
 11 incentive evaluations ~~within~~**not later than** 270 days ~~of~~**after**
 12 entering into the contract. The department shall provide the
 13 economic development incentive evaluation with any additional
 14 information to the house and senate appropriations committees ~~no~~
 15 ~~more~~**not later** than 30 days after the completion of the evaluation.

16 (3) The department shall enter into contracts with contractors
 17 for economic development incentive evaluations as follows:

18 (a) At least once every 6 years for economic development
 19 incentives funded with state appropriations of \$15,000,000.00 or
 20 less each year.

21 (b) At least once every 4 years for all other economic
 22 development incentives, excluding programs that have entered into
 23 legacy status. A program is considered to be in legacy status if
 24 the ~~Michigan strategic fund board~~**bureau** or other governing body
 25 has not approved, authorized, or originated any new abatement, tax
 26 credit, or exemption, or distributed funds under a grant, loan, or
 27 loan guarantee within the immediately preceding fiscal year period.

28 (c) ~~Upon~~**On** the conclusion of an economic development
 29 incentive, a 1-time final analysis.

(4) At the request of the department, state agencies shall provide to the contractor, to the extent permitted by law, any records, information, data, or data analysis necessary for the contractors to effectively evaluate the economic development incentives. The contractor shall not disclose or release any data received from state agencies, except as permitted by law. A record or portion of a record, material, or other data that relates to financial, commercial, or proprietary information of any entity that received an economic development incentive provided by another department, agency, municipality, or political subdivision of this state to the department or a contractor in connection with review of an economic development incentive under this act ~~shall-is~~ not be subject to the disclosure requirements of the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. The department and contractor may ~~only~~ use the financial or commercial information **only** for carrying out the purposes of this act and shall not disclose or release any data received from a department, agency, municipality, or political subdivision of this state.

(5) Economic development incentive evaluations ~~shall-must~~ be published on the department's website. The department shall also publish the name of each contractor who is awarded a contract under this act and a schedule of economic development incentives and when they ~~shall-will~~ be evaluated.

(6) Not less than 30 days ~~prior to-before~~ the department ~~releasing-releases~~ the economic development incentive evaluation under subsection (2) or ~~publishing-publishes~~ it on the department's website under subsection (5), the department shall provide a copy of the economic development incentive evaluation to the ~~Michigan strategic fund, the Michigan economic development corporation,~~

bureau, the state agency that has oversight of the economic development incentive, and the entity that is the recipient of the economic development incentive. The ~~Michigan strategic fund, the Michigan economic development corporation,~~ **bureau**, the state agency that has oversight over the economic development incentive, and the entity that is the recipient of the economic development incentive may issue a response to the economic development incentive evaluation.

Sec. 7. The department, in conjunction with the ~~strategic fund~~ **bureau** and the department of treasury, shall ~~, not later than February 28, 2019,~~ develop a multiyear schedule that lists all economic development incentives and indicates the year when an economic development incentive evaluation will be published for each economic development incentive. The department shall consider economic development incentive sunset dates and program inactivity when creating the schedule and may group economic development incentives for review by objective or policy rationale of each economic development incentive. The department shall update the schedule annually and include any new economic development programs as determined by the ~~Michigan strategic fund.~~ **bureau**. The department shall also list all economic development incentives that are exclusive economic development incentives.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 631 of the 103rd Legislature is enacted into law.