

SENATE BILL NO. 660

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

A bill to amend 1974 PA 338, entitled
"Economic development corporations act,"
by amending section 23 (MCL 125.1623), as amended by 2002 PA 357.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 23. (1) For the purpose of defraying all or part of its
2 project costs, refunding or refunding in advance obligations
3 authorized under this act or obligations authorized under the
4 industrial development revenue bond act of 1963, 1963 PA 62, MCL
5 125.1251 to 125.1267, by a municipality incorporating a corporation
6 under this act, a corporation may borrow money and issue its

revenue bonds or revenue notes. Refunding bonds may be issued by the corporation whether the bonds to be refunded have or have not matured, are or are not redeemable on the date of issuance of the refunding bonds, or are or are not subject to redemption before maturity. ~~and~~ **Refunding bonds** may be issued to pay principal, interest, redemption premiums, or any combination ~~thereof of~~ **principal, interest, and redemption premiums** of the obligations to be refunded. The bonds may be issued partly to refund bonds and partly for any other purpose authorized by this act. The refunding bonds may be issued in a principal amount greater than the principal amount of the bonds to be refunded as may be necessary to effect the refunding pursuant to the plan of refunding. The bonds or notes ~~shall be~~ **are** exempt from all taxation except inheritance and transfer taxes, and the interest on the bonds or notes ~~shall be~~ **is** exempt from all taxation in ~~the~~ **this** state, ~~of Michigan,~~ notwithstanding that the interest may be subject to federal income tax.

(2) The municipality ~~shall~~ **is** not ~~be~~ liable on notes or bonds of the corporation, and the notes and bonds ~~shall~~ **are** not ~~be~~ a debt of the municipality. The notes and bonds ~~shall~~ **must** contain on their face a statement to that effect.

(3) The bonds and notes of the corporation may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

(4) The corporation shall report to the governing body of the

1 municipality for which the corporation is incorporated and the
2 ~~Michigan economic development corporation~~ **bureau of fair**
3 **competition and free enterprise created in section 7 of the**
4 **economic development fair competition and free enterprise act** not
5 less than once per year, which report ~~shall~~ **must** fully describe the
6 activities of the corporation including a statement of all revenues
7 and expenditures since the previous report.

8 (5) The financial records, accountings, audit reports, and
9 other reports of public money under the control of the corporation
10 ~~shall be~~ **are** public records and **must be** open to inspection. The
11 corporation shall publish in a newspaper of general circulation in
12 the incorporating municipality not more than 120 days after the
13 conclusion of the corporation's operating year a statement of all
14 of its revenues and expenditures for the year and shall distribute
15 copies of the report ~~upon~~ **on** request.

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