

HOUSE BILL NO. 5866

March 01, 2022, Introduced by Reps. Steven Johnson, Aiyash, Paquette, Cynthia Johnson, Rabhi, Howell, Pohutsky, Outman, Thanedar, Camilleri, LaGrand, Puri and Yancey and referred to the Committee on Government Operations.

A bill to prohibit a local unit of government or a person negotiating on behalf of a local unit of government from entering into certain confidentiality or nondisclosure agreements.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Economic development project" means any project in this
3 state that is subject to tax incentives, payment in lieu of taxes,
4 tax abatements, bonds, notes, loans, grants, rebates, or any other
5 financial or economic assistance from this state or a political
6 subdivision of this state.

1 (b) "Local unit of government" means a political subdivision
2 of this state, including school districts, community college
3 districts, intermediate school districts, cities, villages,
4 townships, counties, and authorities, if the political subdivision
5 has as its primary purpose the providing of local governmental
6 service for citizens in a geographically limited area of the state
7 and has the power to act primarily on behalf of that area.

8 (c) "Nondisclosure agreement" means an agreement or contract
9 that includes a provision or clause that provides that the
10 agreement or contract or any of its terms are confidential or that
11 the parties to the agreement or contract are prohibited from
12 disclosing, discussing, describing, or commenting upon the terms of
13 the agreement or contract.

14 Sec. 3. Notwithstanding any provision of law to the contrary,
15 beginning on and after the effective date of this act, neither a
16 local unit of government nor a person negotiating on behalf of a
17 local unit of government shall enter into a contract or agreement
18 for an economic development project that is subject to a
19 nondisclosure agreement or that includes a provision or clause
20 within that contract or agreement that provides that the agreement
21 or contract or any of its terms are confidential or that the
22 parties to the agreement or contract are prohibited from
23 disclosing, discussing, describing, or commenting upon the terms of
24 the agreement or contract.

25 Sec. 5. This act applies to any contract that is entered into,
26 amended, extended, or renewed on or after the effective date of
27 this act.