

SENATE BILL NO. 491

July 29, 2025, Introduced by Senator ALBERT and referred to Committee on Economic and Community Development.

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), and by adding section 7a.

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.

1 (b) "Department" means the department of technology,
2 management, and budget.

3 (c) "Economic development incentive" means the abatements, tax
4 credits, exemptions, grants, loans, or loan guarantees related to
5 economic development activities in this state as determined by the
6 Michigan strategic fund provided under the following acts **or**
7 **programs:**

8 (i) The Michigan business tax act, 2007 PA 36, MCL 208.1101 to
9 ~~208.1601.~~**208.1519.**

10 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
11 ~~206.713.~~**206.847.**

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

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

15 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
16 125.2123.

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

18 (vii) The technology park development act, 1984 PA 385, MCL
19 207.701 to 207.718.

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

22 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
23 207.771 to 207.786.

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

26 (xi) The city income tax act, 1964 PA 284, MCL 141.501 to
27 141.787.

28 (xii) The general property tax act, 1893 PA 206, MCL 211.1 to
29 211.155.

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

3 (xiv) The Michigan renaissance zone act, 1996 PA 376, MCL
4 125.2681 to 125.2696.

5 (xv) The obsolete property rehabilitation act, 2000 PA 146, MCL
6 125.2781 to 125.2797.

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

9 (xvii) The Michigan strategic fund act, 1984 PA 270, MCL
10 125.2001 to 125.2094.

11 **(xviii) SOAR.**

12 **(xix)** ~~(xviii)~~—Any new economic development programs as determined
13 by the Michigan strategic fund.

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

19 (e) "SOAR" means the strategic outreach and attraction reserve
20 fund created in section 4 of the Michigan trust fund act, 2000 PA
21 489, MCL 12.254.

22 (f) "SOAR project" means an economic development incentive
23 that is any of the following:

24 (i) Funded in whole or in part with money from SOAR.

25 (ii) Provided under the critical industry program created in
26 section 88s of the Michigan strategic fund act, 1984 PA 270, MCL
27 125.2088s.

28 (iii) Provided under the Michigan strategic site readiness
29 program created in section 88t of the Michigan strategic fund act,

1 **1984 PA 270, MCL 125.2088t.**

2 (g) ~~(e)~~—"The strategic fund" means the **Michigan strategic** fund
3 **created** under the Michigan strategic fund act, 1984 PA 270, MCL
4 125.2001 to 125.2094.

5 Sec. 5. (1) The department shall contract with 1 or more
6 contractors for the periodic evaluation of economic development
7 incentives. The department along with the department of treasury
8 and the Michigan strategic fund shall develop a scope of services
9 for a request for proposals for professional services necessary to
10 complete the economic development incentive evaluations under this
11 act. The department may solicit input from a local governmental
12 unit or 1 or more public agencies, as those terms are defined in
13 section 2 of the urban cooperation act of 1967, 1967 (Ex Sess) PA
14 7, MCL 124.502, or a Michigan economic development corporation
15 corporate partner, in developing the scope of services for a
16 request for proposal for professional services necessary to
17 complete an economic development incentive evaluation under this
18 act. When selecting a contractor, the department shall consider the
19 ability for economic development incentive evaluations to be done
20 in an objective manner.

21 (2) The contractor will complete the economic development
22 incentive evaluations ~~within~~ **not later than** 270 days ~~of~~ **after**
23 entering into the contract. The department shall provide the
24 economic development incentive evaluation with any additional
25 information to the house and senate appropriations committees ~~no~~
26 **not** more than 30 days after the completion of the evaluation.

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

29 (a) **For a SOAR project, as often as necessary to comply with**

1 **section 7a.**

2 (b) ~~(a)~~—At least once every 6 years for economic development
3 incentives, **other than a SOAR project**, funded with state
4 appropriations of \$15,000,000.00 or less each year.

5 (c) ~~(b)~~—At least once every 4 years for all other economic
6 development incentives, excluding programs that have entered into
7 legacy status. A program is considered to be in legacy status if
8 the Michigan strategic fund board or other governing body has not
9 approved, authorized, or originated any new abatement, tax credit,
10 or exemption, or distributed funds under a grant, loan, or loan
11 guarantee within the immediately preceding fiscal year period.

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

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

1 release any data received from a department, agency, municipality,
2 or political subdivision of this state.

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

8 (6) Not less than 30 days ~~prior to~~**before** the department
9 ~~releasing~~**releases** the economic development incentive evaluation
10 under subsection (2) or ~~publishing~~**publishes** it on the department's
11 website under subsection (5), the department shall provide a copy
12 of the economic development incentive evaluation to the Michigan
13 strategic fund, the Michigan economic development corporation, the
14 state agency that has oversight of the economic development
15 incentive, and the entity that is the recipient of the economic
16 development incentive. The Michigan strategic fund, the Michigan
17 economic development corporation, the state agency that has
18 oversight over the economic development incentive, and the entity
19 that is the recipient of the economic development incentive may
20 issue a response to the economic development incentive evaluation.

21 Sec. 7. ~~The~~**Subject to section 7a, the** department, in
22 conjunction with the strategic fund and the department of treasury,
23 shall, not later than February 28, 2019, develop a multiyear
24 schedule that lists all economic development incentives and
25 indicates the year when an economic development incentive
26 evaluation will be published for each economic development
27 incentive. ~~The~~**Except as otherwise provided in section 7a, the**
28 department shall consider economic development incentive sunset
29 dates and program inactivity when creating the schedule and may

1 group economic development incentives for review by objective or
2 policy rationale of each economic development incentive. ~~The~~
3 **Subject to section 7a, the** department shall update the schedule
4 annually and include any new economic development programs as
5 determined by the Michigan strategic fund. The department shall
6 also list all economic development incentives that are exclusive
7 economic development incentives.

8 **Sec. 7a. (1) A SOAR project must be evaluated and an economic**
9 **development incentive evaluation must be published by each of the**
10 **following dates:**

11 (a) The date that is 3 years after money is appropriated for
12 the SOAR project by the legislature.

13 (b) The date that is 5 years after money is appropriated for
14 the SOAR project by the legislature.

15 (c) The date that is 10 years after money is appropriated for
16 the SOAR project by the legislature.

17 (2) Each SOAR project must be independently evaluated.