

SENATE BILL NO. 596

October 02, 2025, Introduced by Senator ANTHONY and referred to Committee on Appropriations.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 364.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 364. (1) A legislator may request a legislatively
2 directed spending item by submitting a request using the applicable
3 appropriation request system. A request for a legislatively
4 directed spending item must include, at a minimum, all of the
5 following:

1 (a) The name of the requesting legislator.

2 (b) The total amount of the legislatively directed spending
3 item and the total estimated cost of the project.

4 (c) The name of the intended recipient or intended location of
5 the legislatively directed spending item.

6 (d) The purpose of the legislatively directed spending item,
7 including any expected outcomes and deliverables.

8 (e) A statement that the legislatively directed spending item
9 will not create a conflict of interest.

10 (f) If the proposed recipient is a nonprofit entity, both of
11 the following:

12 (i) Verification that the entity is a nonprofit entity.

13 (ii) Information about the entity's management structure.

14 (g) A statement that the proposed recipient is not a for-
15 profit entity.

16 (2) A legislator must submit a request for a legislatively
17 directed spending item before the date that the appropriations bill
18 containing the legislatively directed spending item is passed by
19 that legislator's chamber the first time. However, the senate and
20 house of representatives may require, by rule, that a legislator
21 submit a request for a legislatively directed spending item at an
22 earlier date. A legislator that does not hold a leadership position
23 may not request a legislatively directed spending item for an
24 intended recipient or location that is not located within, or that
25 would not benefit the residents of, the legislator's district or a
26 county, any part of which is located within the legislator's
27 district.

28 (3) An entity that is not a governmental entity is eligible
29 for a legislatively directed spending item if the entity was in

1 existence for more than 2 years before the date that the
2 legislatively directed spending item is requested under subsection
3 (1).

4 (4) The senate and house of representatives shall each
5 establish pages on their existing websites that are accessible to
6 the public at no cost and that contain information regarding a
7 legislatively directed spending item. After a request is submitted
8 under subsection (1) or a bill that contains a legislatively
9 directed spending item is enacted into law, the senate and house of
10 representatives shall post all of the following information for
11 each legislatively directed spending item on the respective page:

12 (a) The name of the legislator who submitted the request for
13 the legislatively directed spending item and of each legislator who
14 cosponsored the request.

15 (b) The name of the recipient of the legislatively directed
16 spending item.

17 (c) A summary of the purpose of the legislatively directed
18 spending item.

19 (d) A description of the legislatively directed spending item.

20 (e) The total amount of the legislatively directed spending
21 item.

22 (f) The state department or agency that is administering the
23 legislatively directed spending item.

24 (g) For a legislatively directed spending item that is
25 contained in a bill or that has been enacted into law, the section
26 of the bill or law that contains the legislatively directed
27 spending item.

28 (h) The contact information of the recipient or proposed
29 recipient.

1 (5) The department shall establish and maintain a website that
2 lists information for each legislatively directed spending item
3 included in an appropriations bill that is enacted into law. The
4 website must be available to the public at no cost. The website
5 must include all of the following information for each
6 legislatively directed spending item:

7 (a) The name of the recipient or location of the legislatively
8 directed spending item.

9 (b) The name of the legislator who requested the legislatively
10 directed spending item.

11 (c) A summary of the purpose of the legislatively directed
12 spending item.

13 (d) A description of the legislatively directed spending item.

14 (e) The state department or agency that is administering the
15 legislatively directed spending item.

16 (f) For a legislatively directed spending item that is
17 contained in a bill or that has been enacted into law, the section
18 of the bill or law that contains the legislatively directed
19 spending item.

20 (g) The status of the legislatively directed spending item.

21 (h) The status of the legislatively directed spending item
22 agreement.

23 (i) Whether the legislatively directed spending item agreement
24 has been amended and, if so, a description of the amendment.

25 (6) The department or, if applicable, the state department or
26 agency that is administering a legislatively directed spending
27 item, shall do all of the following:

28 (a) Post the information described in subsection (5) on the
29 website or on the state department's or agency's website, and

1 provide the information described in subsection (5) to the
2 department.

3 (b) Update the information on the applicable website to
4 reflect whether the department or the state department or agency
5 has made contact with the recipient.

6 (c) At frequent intervals, update the status of each
7 legislatively directed spending item.

8 (7) The state department or agency that is administering a
9 legislatively directed spending item shall, for the duration of the
10 public project, but not to exceed 7 years, ensure that the
11 benchmarks and deliverables of the legislatively directed spending
12 item have been met. The auditor general shall evaluate the
13 management of legislatively directed spending items as part of the
14 auditor general's annual performance audits of state departments
15 and agencies.

16 (8) A recipient of a legislatively directed spending item
17 shall enter into a legislatively directed spending item agreement.
18 A legislatively directed spending item agreement must require, at a
19 minimum, all of the following:

20 (a) That the recipient repay the legislatively directed
21 spending item if the recipient uses the appropriation for a purpose
22 other than the purpose for which it was appropriated.

23 (b) That the legislatively directed spending item not be
24 disbursed if the department determines that the recipient is not
25 using or will not use the appropriation for the purpose for which
26 it was appropriated.

27 (c) If the recipient is not a governmental entity, that the
28 legislatively directed spending item must not be used to pay a debt
29 obligation or a tax lien.

1 (d) If the department or state department or agency
2 administering the legislatively directed spending item determines
3 that the recipient is not in compliance with the legislatively
4 directed spending item agreement, that the department or state
5 department or agency may take any action authorized by law to
6 recover funds that have been disbursed to the recipient.

7 (e) That any interest earned on the funds that have been
8 disbursed to the recipient must be paid to this state.

9 (9) The department shall do all of the following:

10 (a) Develop a standard form legislatively directed spending
11 item agreement and a process for legislatively directed spending
12 item recipients to enter into the agreements.

13 (b) Verify that a legislatively directed spending item
14 recipient meets the eligibility requirements under this section
15 before disbursing the legislatively directed spending item to the
16 recipient.

17 (c) Notify a legislatively directed spending item recipient of
18 the status of the disbursement of the legislatively directed
19 spending item after the recipient enters into a legislatively
20 directed spending item agreement.

21 (10) If the department or state department or agency
22 administering a legislatively directed spending item determines
23 that the recipient of the legislatively directed spending item has
24 not satisfied the terms of the legislatively directed spending item
25 agreement, the department or state department or agency shall cease
26 payments to the recipient until the recipient submits a corrective
27 action plan to the department or state department or agency and the
28 department or state department or agency approves the corrective
29 action plan. If the recipient does not submit a satisfactory

1 corrective action plan, the department or state department or
2 agency may cancel the legislatively directed spending item. If the
3 legislatively directed spending item is canceled, the money
4 associated with the legislatively directed spending item remains in
5 the fund from which it was purportedly appropriated, and the money
6 must not be expended from the fund until it is appropriated in
7 accordance with the law.

8 (11) As used in this section:

9 (a) "Appropriation request system" means an electronic system
10 established and maintained by the senate or house of
11 representatives that meets both of the following requirements:

12 (i) Allows a legislator to submit a legislatively directed
13 spending item.

14 (ii) Is accessible to legislators via the internet.

15 (b) "Capital outlay" means that term as defined in section 113
16 of the management and budget act, 1984 PA 431, MCL 18.1113.

17 (c) "Conflict of interest" means that term as used in the
18 rules of the senate or house of representatives, as applicable.

19 (d) "Leadership position" means any of the following within
20 the legislature:

21 (i) The senate majority leader, senate minority leader, speaker
22 of the house, or house minority leader.

23 (ii) A chair, vice chair, or minority vice chair of an
24 appropriations committee or appropriations subcommittee.

25 (e) "Legislatively directed spending item" means an
26 appropriation to which all of the following conditions apply:

27 (i) The appropriation authorizes or obligates a specific amount
28 of money for a contract or other expenditure.

29 (ii) The recipient of the appropriation is not a state

1 department or state agency and does not administer or provide
2 services, programs, or resources that are required by law to be
3 administered or provided by a state department or state agency.

4 (iii) The appropriation is a 1-time appropriation and is made in
5 a general appropriations bill or a supplemental appropriations
6 bill.

7 (iv) The appropriation is not made in accordance with a grant
8 program or other similar program that exists in statute.

9 (v) The appropriation was not included in an executive budget
10 proposal presented to the legislature under section 323.

11 (vi) The appropriation was not requested by the state budget
12 office.

13 (vii) The appropriation is not intended to support a person or
14 governmental entity affected by a declared state of disaster or
15 emergency.

16 (viii) The appropriation is not for a capital outlay project.

17 (ix) The appropriation is not a transfer request that seeks a
18 non-competitive allocation from funding that the recipient is by
19 law eligible to receive.

20 (x) The appropriation is not related to the administration of
21 either of the following:

22 (A) Funding, the source of which is not this state.

23 (B) Any state matching funds or other appropriations
24 associated with the requirements of funding, the source of which is
25 not this state.