

# SENATE BILL NO. 631

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

A bill relating to the economic development of this state; to create the bureau of fair competition and free enterprise in the department of labor and economic opportunity and provide for the appointment of a director; to provide for the withdrawal of the Michigan strategic fund from the contractual interlocal agreement that created the Michigan economic development corporation and the termination of that agreement; to abolish the Michigan strategic fund; to transfer the powers, duties, functions, and properties of the Michigan strategic fund and the Michigan economic development

corporation to the bureau of fair competition and free enterprise; to provide for the disposition of money in certain restricted funds; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act may be cited as the "economic development  
2 fair competition and free enterprise act".

3       Sec. 3. The legislature finds all of the following:

4       (a) Job creation and economic growth are critical to the  
5 success of this state and the health, safety, and general welfare  
6 of the people of this state.

7       (b) Programs and policies related to job creation and economic  
8 growth should be undertaken in a manner that promotes fair  
9 competition and free enterprise and ensures that economic  
10 incentives provided by this state result in a concrete and  
11 measurable benefit to this state.

12       (c) The Michigan strategic fund, the Michigan economic  
13 development corporation, and the programs under the repealed laws  
14 have been ineffective at creating jobs and economic growth.

15       (d) The economy of this state and the health, safety, and  
16 general welfare of the people of this state would be better served  
17 if the Michigan strategic fund, the Michigan economic development  
18 corporation, and the programs under the repealed laws are  
19 abolished.

20       (e) It is necessary to create a new agency to handle  
21 coordination of policies and programs related to job creation and  
22 economic growth.

23       Sec. 5. As used in this act:

24       (a) "Board of the Michigan strategic fund" means the board of

1 directors of the Michigan strategic fund.

2 (b) "Bureau" means the bureau of fair competition and free  
3 enterprise created in section 7.

4 (c) "Department" means the department of labor and economic  
5 opportunity.

6 (d) "Director" means the individual appointed to serve as head  
7 of the bureau under section 7.

8 (e) "Economic incentive" means a grant, loan, tax incentive,  
9 or other economic incentive.

10 (f) "Michigan economic development corporation" means the  
11 Michigan economic development corporation, the public body  
12 corporate created under section 28 of article VII of the state  
13 constitution of 1963 and the urban cooperation act of 1967, 1967  
14 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal  
15 agreement effective April 5, 1999, and subsequently amended,  
16 between local participating economic development corporations  
17 formed under the economic development corporations act, 1974 PA  
18 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

19 (g) "Michigan strategic fund" means the Michigan strategic  
20 fund created under section 5 of former 1984 PA 270.

21 (h) "Repealed law" means an act or part of an act repealed  
22 under section 21.

23 Sec. 7. (1) The bureau of fair competition and free enterprise  
24 is created in the department.

25 (2) The head of the bureau is the director, who shall be  
26 appointed by the governor, by and with the advice and consent of  
27 the senate. The director is exempt from the classified state civil  
28 service and serves at the pleasure of the governor. The director  
29 shall receive an annual salary as appropriated by law.

1           (3) Before assuming the duties of office, the director shall  
2 take and subscribe to the oath of office prescribed in section 1 of  
3 article XI of the state constitution of 1963 and file the oath with  
4 the secretary of state.

5           (4) The director shall approve a seal for the use of the  
6 bureau and file a description and impression of the seal with the  
7 secretary of state.

8           (5) For a period of 1 year after the date an individual  
9 appointed as director leaves office, the individual may not accept  
10 employment with a person that received an economic development  
11 incentive from this state during the period the individual served  
12 as director.

13           Sec. 9. The bureau has the powers and duties provided in this  
14 act and the powers and duties delegated by other laws or executive  
15 orders, including, but not limited to, all of the following:

16           (a) The power to coordinate and administer policies and  
17 programs related to job creation and economic growth in this state.

18           (b) The powers and duties that the bureau acquires and  
19 succeeds to as described in section 13.

20           (c) The power to do all other things necessary or convenient  
21 to achieve the objectives and purposes of the bureau, this act, or  
22 other laws that relate to the purposes and responsibilities of the  
23 bureau.

24           Sec. 11. (1) The Michigan strategic fund is abolished.

25           (2) All of the powers, duties, and functions vested by law in  
26 the Michigan strategic fund are transferred to and vested in the  
27 bureau. Except as otherwise provided in section 15, all records,  
28 files, papers, money, and other property of the Michigan strategic  
29 fund shall be delivered and transferred to the bureau.

1           (3) Functions and authority transferred to and vested in the  
2 bureau under subsection (2) shall not be delegated or otherwise  
3 transferred to the Michigan economic development corporation.

4           (4) The Michigan strategic fund is withdrawn from the  
5 contractual interlocal agreement described in section 5(f) that  
6 created the Michigan economic development corporation and the  
7 contractual interlocal agreement is terminated. If the withdrawal  
8 or termination under this subsection violates the terms of the  
9 contractual interlocal agreement, the contractual interlocal  
10 agreement is against public policy and is void and unenforceable.

11           (5) All of the powers, duties, and functions vested by law in  
12 the Michigan economic development corporation are transferred to  
13 and vested in the bureau. Except as otherwise provided in section  
14 15, all records, files, papers, money, and other property of the  
15 Michigan economic development corporation that belongs to this  
16 state shall be delivered and transferred to the bureau.

17           (6) Beginning on the effective date of this act, a reference  
18 to the Michigan strategic fund, the board of the Michigan strategic  
19 fund, or the Michigan economic development corporation in any other  
20 act is a reference to the bureau.

21           (7) Beginning on the effective date of this act, a reference  
22 to a member of the board or the president, chief executive officer,  
23 or other officer of the Michigan strategic fund or the Michigan  
24 economic development corporation in any other act is a reference to  
25 the director.

26           Sec. 13. (1) The bureau shall acquire and succeed to all of  
27 the rights, properties, obligations, and duties of the Michigan  
28 strategic fund or the Michigan economic development corporation  
29 under any of the following laws:

1 (a) The land bank fast track act, 2003 PA 258, MCL 124.751 to  
2 124.774.

3 (b) 2006 PA 317, MCL 125.1972. The Michigan defense center  
4 created in section 2 of 2006 PA 317, MCL 125.1972, is transferred  
5 from the Michigan strategic fund to the bureau.

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

8 (d) The Michigan renaissance zone act, 1996 PA 376, MCL  
9 125.2681 to 125.2696.

10 (e) The recodified tax increment financing act, 2018 PA 57,  
11 MCL 125.4101 to 125.4915.

12 (f) The community convention or tourism marketing act, 1980 PA  
13 395, MCL 141.871 to 141.880.

14 (g) The convention and tourism marketing act, 1980 PA 383, MCL  
15 141.881 to 141.889.

16 (h) The regional tourism marketing act, 1989 PA 244, MCL  
17 141.891 to 141.900.

18 (i) The convention and tourism promotion act, 2007 PA 25, MCL  
19 141.1321 to 141.1328.

20 (j) The regional convention and tourism promotion act, 2010 PA  
21 254, MCL 141.1431 to 141.1437.

22 (k) Section 4ee of the general sales tax act, 1933 PA 167, MCL  
23 205.54ee, and section 4cc of the use tax act, 1937 PA 94, MCL  
24 205.94cc.

25 (l) The Michigan economic growth authority act, 1995 PA 24, MCL  
26 207.801 to 207.810.

27 (m) The Michigan business tax act, 2007 PA 36, MCL 208.1101 to  
28 208.1519.

29 (n) Section 9f of the general property tax act, 1893 PA 206,

1 MCL 211.9f.

2 (o) Section 9 of the state essential services assessment act,  
3 2014 PA 92, MCL 211.1059.

4 (p) 1993 PA 69, MCL 247.951 to 247.958.

5 (q) Section 2 of the Julian-Stille value-added act, 2000 PA  
6 322, MCL 285.302.

7 (r) Section 3 of 2008 PA 330, MCL 285.343.

8 (s) Part 721 of the natural resources and environmental  
9 protection act, 1994 PA 451, MCL 324.72101 to 324.72118.

10 (t) Section 11550 of the natural resources and environmental  
11 protection act, 1994 PA 451, MCL 324.11550. The up to 1 full-time  
12 equivalent employee described in section 11550(4)(p) of the natural  
13 resources and environmental protection act, 1994 PA 451, MCL  
14 324.11550, is transferred to the bureau.

15 (u) The history, arts, and libraries act, 2001 PA 63, MCL  
16 399.701 to 399.711, in accordance with Executive Reorganization  
17 Order No. 2022-1, MCL 333.27002. The Michigan council for arts and  
18 cultural affairs described in the history, arts, and libraries act,  
19 2001 PA 63, MCL 399.701 to 399.711, and renamed the Michigan arts  
20 and culture council by Executive Reorganization Order No. 2022-1,  
21 MCL 333.27002, is transferred from the Michigan strategic fund to  
22 the bureau.

23 (v) The social welfare act, 1939 PA 280, MCL 400.1 to  
24 400.119b.

25 (w) Section 303 of the Michigan liquor control code of 1998,  
26 1998 PA 58, MCL 436.1303.

27 (x) The Michigan BIDCO act, 1986 PA 89, MCL 487.1101 to  
28 487.2001.

29 (y) 2024 PA 121, 2023 PA 321, 2023 PA 119, 2023 PA 5, 2023 PA

1 1, 2022 PA 194, 2022 PA 166, 2021 PA 133, 2021 PA 132, and 2021 PA  
2 87.

3 (z) Executive Reorganization Order No. 2024-2, MCL 16.735,  
4 with respect to the state historic preservation office. The state  
5 historic preservation office is transferred from the Michigan  
6 strategic fund to the bureau and shall exercise its authority,  
7 powers, duties, functions, and responsibilities independently of  
8 the bureau in the same manner as provided in Executive  
9 Reorganization Order No. 2024-2, MCL 16.735. As used in this  
10 subdivision, "state historic preservation office" means the state  
11 historic preservation office created by Executive Order No. 2007-  
12 53, transferred to the Michigan strategic fund by Executive  
13 Reorganization Order No. 2019-3, MCL 125.1998, and ordered to  
14 exercise its authority, powers, duties, functions, and  
15 responsibilities independently of the Michigan strategic fund by  
16 Executive Reorganization Order No. 2024-2, MCL 16.735.

17 (2) The bureau shall acquire and succeed to any remaining  
18 rights, properties, obligations, and duties of the Michigan  
19 strategic fund or the Michigan economic development corporation  
20 under a repealed law.

21 (3) Except as otherwise provided in section 11(4), a written  
22 agreement or other contractual obligation under a repealed law that  
23 is in effect on the effective date of this act remains in effect  
24 and shall be administered by the bureau in accordance with the  
25 written agreement or contractual obligation and the repealed law.  
26 The bureau shall not amend a written agreement or other contractual  
27 obligation under a repealed law to extend the duration of the  
28 written agreement or other contractual obligation, increase the  
29 economic incentives provided under the written agreement or other



1 contractual obligation, or waive any requirements imposed on the  
2 person receiving an economic incentive under the written agreement  
3 or other contractual obligation.

4 Sec. 15. (1) Money in a restricted fund created by a section  
5 of law that is repealed by this act is transferred to the state  
6 general fund.

7 (2) If money described in subsection (1) is allocated to a  
8 contractual obligation that is in effect on the effective date of  
9 this act, that money must be placed in a restricted account for the  
10 purpose of satisfying the contractual obligation.

11 Sec. 17. (1) Not later than April 10 of each year, the bureau  
12 shall submit a report of its activities to each member of the  
13 legislature, the governor, the clerk of the house of  
14 representatives, the secretary of the senate, and the senate and  
15 house fiscal agencies and post the report on its website.

16 (2) The report under subsection (1) must include all of the  
17 following information:

18 (a) A list of all persons that are participating in a program  
19 or otherwise receiving an economic incentive administered by the  
20 bureau.

21 (b) For each person listed under subdivision (a), all of the  
22 following information:

23 (i) A description of the economic incentive received by the  
24 person, including, but not limited to, the type of economic  
25 incentive awarded, the total amount awarded, the amount received by  
26 the person to date, and the remaining amount the person will  
27 receive.

28 (ii) The program or authority under which the economic  
29 incentive is provided.

1           (iii) The remaining duration of the economic incentive.

2           (iv) If the person is required to create or maintain jobs to  
3 receive the economic incentive, the number of jobs required to be  
4 created and maintained and the number of jobs actually created or  
5 maintained.

6           (v) If the economic incentive is awarded for a particular  
7 project, the status of the project.

8           Sec. 19. (1) The office of chief compliance officer is created  
9 in the bureau. The office shall exercise its powers and duties  
10 under this section independently of the bureau.

11           (2) The office shall assist the bureau with the creation,  
12 implementation, monitoring, and enforcement of policies and  
13 procedures to prevent illegal, unethical, or improper conduct on  
14 the part of director and employees and agents of the bureau in  
15 carrying out their powers and duties.

16           (3) The principal executive officer of the office is the chief  
17 compliance officer. The state administrative board shall appoint  
18 the chief compliance officer in accordance with section 2b of 1921  
19 PA 2, MCL 17.2b.

20           (4) A person may not interfere with, prevent, or prohibit the  
21 chief compliance officer from carrying out the chief compliance  
22 officer's duties as established in this section and set by the  
23 state administrative board. The chief compliance officer is an  
24 employee for purposes of the whistleblowers' protection act, 1980  
25 PA 469, MCL 15.361 to 15.369.

26           (5) All departments, state agencies, committees,  
27 commissioners, or officers of this state, and any political  
28 subdivision of this state, to the extent compatible with their  
29 duties, shall give the chief compliance officer any necessary

1 assistance required by the chief compliance officer in the  
2 performance of the duties of the chief compliance officer. All  
3 departments, state agencies, committees, commissioners, or officers  
4 of this state, and any political subdivision of this state, shall  
5 provide the chief compliance officer free access to any book,  
6 record, or document in their custody, relating to the matters  
7 within the scope of the chief compliance officer in the performance  
8 of the chief compliance officer's duties.

9 (6) The chief compliance officer shall do all of the  
10 following:

11 (a) Recommend policies and procedures, including, but not  
12 limited to, a conflict-of-interest policy, an investment policy,  
13 and an ethics policy, to the bureau that protect this state's  
14 assets consistent with the requirements of this act and applicable  
15 state and federal law. The chief compliance officer shall also  
16 assist in the design of the policies and procedures that will  
17 prevent violations from occurring, detect violations that have  
18 occurred, and correct such violations promptly.

19 (b) Assist employees and agents of the bureau to ensure that  
20 they comply with internal policies and procedures and with  
21 applicable state and federal law.

22 (c) Provide guidance to the bureau and its employees on  
23 matters related to compliance with internal policies and procedures  
24 and with applicable state and federal law.

25 (d) Make recommendations to the bureau and its employees  
26 regarding the appropriate evaluation, investigation, and resolution  
27 of issues and concerns regarding compliance with internal policies  
28 and procedures and with applicable state and federal law.

29 (e) Review and evaluate compliance with internal policies and

1 procedures and with applicable state and federal law.

2 (f) Cooperate with the office of the auditor general as the  
3 auditor general carries out the auditor general's duties.

4 (g) Report quarterly to the director and the state  
5 administrative board regarding compliance with internal policies  
6 and procedures and with applicable state and federal law.

7 (h) Contact persons participating in a program or otherwise  
8 receiving an economic incentive administered by the bureau to the  
9 extent necessary to carry out responsibilities under this section.

10 (i) Prepare a written annual report that evaluates compliance  
11 with internal policies and procedures and with applicable state and  
12 federal law, explains any compliance matters that arose during the  
13 previous year, and suggests revisions to agency policies and  
14 procedures. Copies of the report must be provided to the governor,  
15 the clerk of the house of representatives, the secretary of the  
16 senate, the chairperson of the senate economic and community  
17 development committee, the chairperson of the house of  
18 representatives economic competitiveness committee, and the  
19 chairpersons of the senate and house of representatives committees  
20 on appropriations. The annual report must also be published on the  
21 bureau's website.

22 (j) Do all other things necessary to carry out the chief  
23 compliance officer's responsibilities under this section.

24 (7) As used in this section:

25 (a) "Office" means the office of the chief compliance officer.

26 (b) "State administrative board" means the state  
27 administrative board created in section 1 of 1921 PA 2, MCL 17.1.

28 Sec. 21. All of the following acts and parts of acts are  
29 repealed:

1 (a) The Michigan strategic fund act, 1984 PA 270, MCL 125.2001  
2 to 125.2094.

3 (b) The entrepreneur-in-residence act, 2014 PA 393, MCL  
4 125.2191 to 125.2197.

5 (c) The Michigan early stage venture investment act of 2003,  
6 2003 PA 296, MCL 125.2231 to 125.2263.

7 (d) The commission for logistics and supply chain  
8 collaboration act, 2008 PA 398, MCL 125.1891 to 125.1894.

9 (e) The next Michigan development act, 2010 PA 275, MCL  
10 125.2951 to 125.2959.

11 (f) Sections 455, 457, and 459 of the Michigan business tax  
12 act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459.

13 Sec. 23. A next Michigan development corporation created under  
14 former 2010 PA 275 is terminated on the effective date of this act.  
15 Incentives previously granted by the next Michigan development  
16 corporation must be administered by the city, village, township, or  
17 charter township in which the eligible business to which the  
18 incentives were granted is located unless otherwise provided in the  
19 interlocal agreement described in former 2010 PA 275.