

ECONOMIC DEVELOPMENT INCENTIVE EVALUATION ACT (EXCERPT)
Act 540 of 2018

18.1755 Periodic evaluation of economic development incentives: contract; request for proposals; requirements; timeline; disclosure; evaluations published on website and to certain state agencies.

Sec. 5.

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

(2) The contractor will complete the economic development incentive evaluations within 270 days of entering into the contract. The department shall provide the economic development incentive evaluation with any additional information to the house and senate appropriations committees no more than 30 days after the completion of the evaluation.

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

(a) At least once every 6 years for economic development incentives funded with state appropriations of \$15,000,000.00 or less each year.

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

(c) Upon the conclusion of an economic development incentive, a 1-time final analysis.

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

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

(6) Not less than 30 days prior to the department releasing the economic development incentive evaluation under subsection (2) or publishing it on the department's website under subsection (5), the department shall provide a copy of the economic development incentive evaluation to the Michigan strategic fund, the Michigan economic development corporation, the state agency that has oversight of the economic development incentive, and the entity that is the recipient of the economic development incentive. The Michigan strategic fund, the Michigan economic development corporation, the state agency that has oversight over the economic development incentive, and the entity that is the recipient of the economic development incentive may issue a response to the economic development incentive evaluation.

History: 2018, Act 540, Imd. Eff. Dec. 28, 2018