

# SENATE BILL NO. 525

September 26, 2023, Introduced by Senators ALBERT, BELLINO and LINDSEY and referred to the Committee on Economic and Community Development.

A bill to prohibit a public officer of this state or a political subdivision of this state from entering into certain nondisclosure agreements regarding economic development projects; and to provide remedies.

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

1           Sec. 1. This act may be cited as the "economic development  
2 transparency act".

3           Sec. 3. As used in this act:

4           (a) "Economic development incentive" means a tax incentive,  
5 payment in lieu of taxes, tax abatement, bond, note, loan, grant,

1 rebate, tax increment financing, or any other financial or economic  
2 assistance from this state or a political subdivision of this  
3 state.

4 (b) "Economic development project" means any project in this  
5 state that is subject to an economic development incentive.

6 (c) "Michigan economic development corporation" means that  
7 term as defined in section 4 of the Michigan strategic fund act,  
8 1984 PA 270, MCL 125.2004.

9 (d) "Nondisclosure agreement" means an agreement or contract  
10 that includes a provision or clause that provides that 1 or more of  
11 the following is confidential or that a party to the agreement or  
12 contract is prohibited from disclosing, discussing, describing, or  
13 commenting on 1 or more of the following:

14 (i) Information related to an economic development project or  
15 potential economic development project, including, but not limited  
16 to, all of the following:

17 (A) The number of potential jobs to be created or other  
18 benefits to be conferred on this state by the project.

19 (B) The amount of the investment.

20 (C) The site location.

21 (D) Site selection criteria.

22 (E) The identity of the person proposing or conducting the  
23 project.

24 (F) Project operation plans or timelines.

25 (ii) Any information received in connection with the  
26 consideration or award of an economic development incentive,  
27 including, but not limited to, information provided by the Michigan  
28 economic development corporation.

29 (iii) The terms of an economic development incentive or

1 potential economic development incentive.

2 (e) "Political subdivision" means a county, city, village,  
3 township, or other political subdivision, public corporation,  
4 authority, or district in this state.

5 (f) "Public officer" means an individual who holds an elective  
6 office of this state or a political subdivision of this state or an  
7 individual who is appointed to fill a vacancy in an elective office  
8 of this state or a political subdivision of this state.

9 Sec. 5. Notwithstanding any provision of law to the contrary,  
10 beginning on and after the effective date of this act, a public  
11 officer shall not enter into a nondisclosure agreement related to a  
12 potential economic development incentive that directly or  
13 indirectly utilizes public funds.

14 Sec. 7. (1) This act applies to an agreement or contract that  
15 is entered into, amended, extended, or renewed on or after the  
16 effective date of this act.

17 (2) An agreement or contract, or a provision of an agreement  
18 or contract, that violates this act is against public policy and  
19 void and unenforceable.