HOUSE BILL NO. 6355

September 24, 2026, Introduced by Reps. O'Neal and Wozniak and referred to Committee on Finance.

A bill to amend 1984 PA 270, entitled

"Michigan strategic fund act,"

by amending sections 23, 88s, and 88t (MCL 125.2023, 125.2088s, and 125.2088t), section 23 as amended by 2020 PA 358, section 88s as added by 2021 PA 136, and section 88t as added by 2021 PA 134.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 23. (1) The fund may borrow money and issue bonds or notes for the following purposes:

(a) To provide sufficient funds for achieving the fund's purposes and objectives including, but not limited to, amounts

necessary to ~~pay~~ **do 1 or more of the following:**

(*i*) Pay the costs of acquiring a project or part of a project. ~~; to make~~ **For purposes of this subdivision, the cost of a project includes administrative costs, including, but not limited to, engineering, architectural, legal, and accounting fees that are necessary for the project.**

(*ii*) Make loans for the costs of a project or part of a project, including a Special Purpose FWC Settlement Entity. ~~; to make~~

(*iii*) Make loans ~~pursuant to~~ **in accordance with** section 7(r) for an export related transaction. ~~; for making~~

(*iv*) Make grants. ~~; for providing~~

(*v*) Provide money to guarantee or insure loans, leases, bonds, notes, or other indebtedness. ~~; for making~~

(*vi*) Make working capital loans. ~~;~~

(*vii*) Provide for all other expenditures of the fund incident to and necessary or convenient to carry out the fund's purposes, objectives, and powers. ~~; and for any combination of the foregoing. The cost of a project may include administrative costs including, but not limited to, engineering, architectural, legal, and accounting fees that are necessary for the project.~~

(b) **For either of the following purposes:**

(*i*) To refund bonds or notes of **any of** the **following entities by the issuance of new bonds or notes, whether or not the bonds or notes to be refunded have matured or are subject to prior redemption or are to be paid, redeemed, or surrendered when the refunding bonds or notes are issued:**

(A) The fund issued under this act. ~~, of the~~

(B) The job development authority issued under former 1975 PA

301. ~~, of the~~

(C) The Michigan economic development authority issued under former 1982 PA 70. ~~, of an~~

(D) An economic development corporation issued under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636. ~~, or of a~~

(E) A municipality issued under the industrial development revenue bond act of 1963, 1963 PA 62, MCL 125.1251 to 125.1267. ~~, by the issuance of new bonds, whether or not the bonds or notes to be refunded have matured or are subject to prior redemption or are to be paid, redeemed, or surrendered at the time of the issuance of the refunding bonds or notes; and to~~

(*ii*) To issue bonds or notes partly to refund ~~the~~ bonds or notes **as described in subparagraph (*i*)** and partly for any other purpose ~~provided for by~~ **allowed under** this section.

(c) To ~~pay~~ **do any of the following:**

(*i*) Pay the costs of issuance of bonds or notes under this act. ~~; to pay~~

(*ii*) Pay interest on bonds or notes becoming payable ~~prior to~~ **before** the receipt of the first revenues available for payment of that interest as determined by the board. ~~; and to establish,~~

(*iii*) Establish, in full or in part, a reserve for the payment of the principal and interest on the bonds or notes in the amount determined by the board.

(2) The bonds and notes, including, but not limited to, commercial paper, ~~shall~~ **must** be authorized by resolution adopted by the board, ~~shall~~ **must** bear the date or dates, and ~~shall~~ **must** mature at the time or times not exceeding 50 years from the date of issuance, as **provided in** the resolution. ~~may provide.~~ The bonds and

notes ~~shall~~ **may** bear interest at the rate or rates as may be set, reset, or calculated from time to time, or may bear no interest, as provided in the resolution. The bonds and notes ~~shall~~ **must** be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be transferable, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of prior redemption at the option of the fund or the holders of the bonds and notes as **provided in** the resolution. ~~or resolutions may provide.~~ The bonds and notes of the fund may be sold at public or private sale at the price or prices determined by the fund. For purposes of 1966 PA 326, MCL 438.31 to 438.33, this act and other acts applicable to the fund ~~shall~~ regulate the rate of interest payable or charged by the fund, and 1966 PA 326, MCL 438.31 to 438.33, does not apply. Bonds and notes may be sold at a discount.

(3) Bonds or notes may be 1 or more of the following:

(a) Made the subject of a put or agreement to repurchase by the fund or others.

(b) Secured by a letter of credit or by any other collateral that the resolution ~~may authorize.~~**authorizes.**

(c) Reissued by the fund once reacquired by the fund ~~pursuant to any~~ **in accordance with a** put or repurchase agreement.

(4) The fund may authorize by resolution any member of the board to do 1 or more of the following:

(a) Sell and deliver, and receive payment for notes or bonds.

(b) Refund notes or bonds by the delivery of new notes or bonds whether or not the notes or bonds to be refunded have matured, are subject to prior redemption, or are to be paid, redeemed, or surrendered ~~at the time of the issuance of~~ **when**

refunding bonds or notes **are issued.**

(c) Deliver notes or bonds, partly to refund notes or bonds and partly for any other authorized purposes.

(d) Buy notes or bonds so issued at not more than the face value of the notes or bonds.

(e) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights at the option of the fund or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

(5) Except as ~~may~~ otherwise ~~be~~ expressly provided by the fund, every issue of ~~its~~ **the fund's** notes or bonds ~~shall be~~ **is a** general ~~obligations~~ **obligation** of the fund payable out of revenues, properties, or money of the fund, subject only to agreements with the holders of particular notes or bonds pledging particular receipts, revenues, properties, or money as security for the notes or bonds.

(6) The notes or bonds of the fund are negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, 1962 PA 174, MCL 440.1101 to ~~440.9994,~~ **440.12501,** subject only to the provisions of the notes or bonds for registration.

(7) Bonds or notes issued by the fund are not subject to the terms of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The bonds or notes issued by the fund are not required to be registered. A filing of a bond or note of the fund is not required under the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(8) A resolution authorizing notes or bonds may contain ~~any or all~~ **1 or more** of the following covenants, which ~~shall be~~ **are** a part of the contract with the holders of the notes or bonds:

(a) A pledge of all or a part of the fees, charges, and revenues made or received by the fund, or all or a part of the money received in payment of lease rentals, or loans and interest on the loans, and other money received or to be received to secure the payment of the notes or bonds or of an issue of the notes or bonds, subject to agreements with bondholders or noteholders ~~as may~~ **that** then exist.

(b) A pledge of all or a part of the assets of the fund, including leases, or notes or mortgages and obligations securing the ~~same~~ **notes and mortgages** to secure the payment of the notes or bonds or of an issue of notes or bonds, subject to agreements with noteholders or bondholders ~~as may~~ **that** then exist.

(c) A pledge of a loan, grant, or contribution from the federal, state, or local government, or **another** source in aid of a project as provided ~~for in~~ **by** this act.

(d) A pledge of money directly derived from payments from the heritage trust fund created by ~~the heritage trust fund act of 1982,~~ former 1982 PA 327.

(e) The use and disposition of the revenues and income from leases, or from loans, notes, and mortgages owned by the fund.

(f) The establishment and setting aside of reserves or sinking funds and the regulation and disposition of reserves or sinking funds subject to this act.

(g) Limitations on the purpose to which the proceeds of sale of the notes or bonds may be applied and limitations on pledging those proceeds to secure the payment of other bonds or notes.

(h) Authority for and limitations on the issuance of additional notes or bonds for the purposes provided for in the resolution and the terms ~~upon~~ **on** which additional notes or bonds may be issued and secured. Additional bonds pledging money derived from the heritage trust fund as provided in subdivision (d) may only be issued if the issuance meets the requirements of section 204 of the resolution adopted by the Michigan economic development authority authorizing issuance of its bonds dated December 1, 1982, and any requirement of former 1982 PA 70, ~~provided that~~ **except** these requirements do not apply if those bonds have been defeased.

(i) The procedure, if any, by which the terms of a contract with noteholders or bondholders may be amended or abrogated, the number of noteholders or bondholders who are required to consent to an amendment or abrogation, and the manner in which the consent may be given.

(j) ~~Vest~~ **A covenant vesting** in a trustee or a secured party the property, income, revenues, receipts, rights, remedies, powers, and duties in trust or otherwise as the fund ~~may determine~~ **determines** necessary or appropriate to adequately secure and protect noteholders and bondholders or to limit or abrogate the rights of the noteholders and bondholders. ~~A~~ **The fund may execute a** trust agreement ~~may be executed by the fund~~ with ~~any~~ **a** trustee, who may be located inside or outside this state, to accomplish any of the ~~foregoing.~~**purposes described in this subdivision.**

(k) ~~Pay~~ **A covenant to pay** maintenance and repair costs of a project.

(*l*) The insurance to be carried on a project and the use and disposition of insurance money and condemnation awards.

(m) The terms, conditions, and agreements ~~upon~~ **on** which the

holder of the bonds, or a portion of the bonds, is entitled to the appointment of a receiver by the circuit court. A receiver who is appointed may ~~enter~~ **do all of the following in the same manner and to the same extent as the fund:**

(*i*) Enter and take possession of the project. ~~and maintain it or lease~~

(*ii*) Maintain the project.

(*iii*) Lease or sell the project for cash or on an installment sales contract. ~~and prescribe~~

(*iv*) Prescribe rentals and payments ~~therefor and collect,~~ **for the lease, sale, or other use of the project.**

(*v*) Collect, receive, and apply all income and revenues ~~thereafter~~ arising ~~in the same manner and to the same extent as the fund.~~**after the receiver's appointment.**

(n) Any other matters, of like or different character, ~~which~~ **that** in any way affect the security or protection of the notes or bonds.

(9) A pledge made by the fund is valid and binding ~~from the time~~ **when** the pledge is made. The money or property ~~so~~ pledged and thereafter received by the fund is immediately subject to the lien of the pledge without a physical delivery or further act. The lien of a pledge is valid and binding ~~as~~ against parties having claims of any kind in tort, contract, or otherwise against the fund and is valid and binding ~~as~~ against the transfer of the money or property pledged, irrespective of whether the parties have notice. ~~Neither the~~ **The** resolution, the trust agreement, ~~nor~~ **and** any other instrument by which a pledge is created **do not** need **to** be recorded.

(10) A member of the board or a person executing the notes or bonds is not liable personally on the notes or bonds and is not

subject to personal liability ~~of~~ **or** accountability ~~by reason~~ **because** of the issuance of the notes or bonds.

(11) This state is not liable on notes or bonds of the fund, and the notes or bonds ~~shall~~ **are** not ~~be considered~~ a debt of this state. The notes and bonds ~~shall~~ **must** contain on ~~their~~ **the** face **of the notes and bonds** a statement indicating this fact.

(12) The notes and bonds of the fund are securities in which **all of** the **following persons may properly and legally invest funds:**

(a) The public officers and bodies of this state. ~~;~~ ~~municipalities~~

(b) Municipalities and municipal subdivisions. ~~; insurance~~

(c) Insurance companies, associations, and other persons carrying on an insurance business. ~~; banks,~~

(d) Banks, trust companies, savings banks, savings associations, and savings and loan associations. ~~; investment~~

(e) Investment companies. ~~; administrators,~~

(f) Administrators, guardians, executors, trustees, and other fiduciaries. ~~; and all~~

(g) All other persons ~~who~~ **that** are authorized to invest in bonds or other obligations of this state. ~~may properly and legally invest funds.~~

(13) The property of the fund and ~~its~~ **the** income and operation **of the fund** is exempt from all taxation by this state or any ~~of its~~ political subdivisions **of this state**, and all bonds and notes of the fund, the interest on the bonds and notes, and ~~their~~ **the** transfer **of the bonds and notes** are exempt from all taxation by this state or any ~~of its~~ political subdivisions **of this state**, except for estate, gift, and inheritance taxes. The state covenants with the purchasers and all subsequent holders and transferees of

notes and bonds issued by the fund under this act, in consideration of the acceptance of and payment for the notes and bonds, that the notes and bonds of the fund, issued ~~pursuant to~~ **under** this act, the interest on the notes and bonds, the transfer of the notes and bonds, and all ~~its~~ **the** fees, charges, gifts, grants, revenues, receipts, and other money received or to be received and pledged to pay or secure the payment of the notes or bonds ~~shall at all times be~~ **are** free and exempt from all state or local taxation provided by the laws of this state, except for estate, gift, and inheritance taxes.

(14) The issuance of bonds and notes under this act is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

(15) For the purpose of more effectively managing ~~its~~ **the fund's** debt service, the fund may enter into an interest rate exchange or swap, hedge, or similar agreement with respect to ~~its~~ **the** bonds or notes **of the fund** on the terms and payable from the sources and with the security, if any, as determined by the board by resolution.

Sec. 88s. (1) The fund shall create and operate the critical industry program. The fund shall use money transferred from the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, or money appropriated to the program to make qualified investments to qualified businesses.

(2) The fund shall expend money allocated to the Michigan critical industry program only to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result

of a technological shift in product or production or make capital investments, or both, as determined by the fund board. The program must provide for a detailed application, approval, and compliance process that is also published and available on the fund's website.

(3) The fund shall consider and document at a minimum all of the following criteria to the extent reasonably applicable as reasonably determined by the fund board to the type of project proposed before entering into a written agreement for a qualified investment as provided under subsection (4):

(a) The importance of the project to the community in which ~~it~~ **the project** is located.

(b) If the project will act as a catalyst for additional revitalization of the community in which ~~it~~ **the project** is located and this state.

(c) The amount of local community and financial support for the project.

(d) The applicant's financial need for a qualified investment from the critical industry program.

(e) The extent of reuse of vacant buildings, public or private, reuse of historic resources, and redevelopment of blighted property.

(f) Creation or retention of qualified jobs as a result of a technological shift in product or production at the project location and ~~within~~ **in** this state.

(g) The level of other public funds including, but not limited to, the appropriation of federal or state funds and any federal or state tax credits.

(h) The level of any private funds, investments, or contributions into the project including, but not limited to, the

qualified business's own investments in the project.

(i) Whether and how the project is financially and economically sound.

(j) Whether and how the project promotes sustainable development.

(k) Whether and how the project involves the rehabilitation of a historic resource.

(*l*) Whether and how the project addresses areawide redevelopment and the overall economic benefit to the existing supply chain.

(m) The level and extent of environmental contamination.

(n) Whether and how the project will compete with or affect existing Michigan businesses within the same industry.

(o) Whether and how the project's proximity to rail and utility will impact performance of the project and maximize energy and logistics needs in the community in which ~~it~~ **the project** is located and in this state.

(p) The risk of obsolescence of the project, products, and investments in the future.

(q) The overall return on investment to this state.

(r) Whether and how the project addresses food supply challenges.

(s) Any other additional criteria approved by the board that are specific to each individual project and are consistent with the purpose of this program.

(4) If the fund determines, after making the considerations under subsection (3), to award a qualified investment to a qualified business under this program, the fund shall enter into a written agreement with the qualified business that includes in a

clear and concise manner all of the terms and conditions relating to the qualified investment as determined and documented by the fund board, including, but not limited to, **all of** the following:

(a) Specific time frames and benchmarks to be met before the qualified business receives a disbursement in installments under the critical industry program ~~pursuant to~~ **in accordance with** the approved qualified investment.

(b) Specific terms relating to the required creation or retention of qualified jobs as a result of a technological shift in product or production at the project location and ~~within~~ **in** this state, including measurable outcomes, proration of payments for partial performance, clawback and specific repayment provisions for breach of the agreement, or for failure to meet measurable outcomes.

(c) Specific penalties for noncompliance with the written agreement as determined by the fund.

(d) A provision that all money that is subject to a clawback or required to be repaid under a specific repayment provision must be paid ~~within~~ **not later than** 90 days ~~of~~ **after** notification by the fund. Any amounts not paid within that 90-day period are subject to a penalty of 1% per month, prorated on a daily basis.

(e) A provision that this state shall have a security interest as **that term is** defined in section ~~1201(2)(*ii*)~~ **1201** of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the qualified investment. This provision does not apply if it conflicts with any contractual obligation of the qualified business or any federal or state bankruptcy or insolvency laws.

(f) A provision that the qualified business will provide the data described in the written agreement that are necessary for the

fund to report to the legislature as required under this program.

(g) A provision that the qualified business may enter into direct agreements with workforce training providers, when appropriate, as determined by the fund to meet the workforce requirements of a qualified investment.

(5) If the fund receives a request to modify an existing written agreement for a qualified investment under this program, the fund must provide a copy of that requested modification to each member of the legislature, the governor, the clerk of the house of representatives, the secretary of the senate, and the senate and house fiscal agencies ~~within~~ **not later than** 5 business days ~~of~~ **after** the receipt of the modification request. In addition to the copy of the request for modification, the notice provided under this subsection must also include the specific provisions to be modified and the rationale for considering the modification. Before the fund modifies an existing written agreement for a qualified investment, the fund must give notice of the proposed amendments and publish them on the fund's internet website at least 1 business day ~~prior to~~ **before** a public hearing on the proposed amendments. If the fund approves and modifies an existing written agreement under this subsection, the fund must provide a copy of that amended written agreement to each member of the legislature, the governor, the clerk of the house of representatives, the secretary of the senate, and the senate and house fiscal agencies ~~within~~ **not later than** 1 business day ~~of~~ **after** the modification.

(6) ~~If the fund board seeks to make a determination as to~~ **In determining** whether a qualified investment approved under this program represents a fair exchange of value for value, the fund may consider the total value to this state of the qualified investment

and the best interests of this state, including, but not limited to, any positive economic impact to this state likely to be generated by the qualified business ~~pursuant to~~ **under** the written agreement for a qualified investment, especially economic impact resulting in the location of a high-economic-impact business facility in this state, increased capital investment in this state, and the creation or retention of qualified jobs as a result of a technological shift in product or production in this state.

(7) The ~~fund~~ board shall not disburse funds allocated to the program for a qualified investment to a qualified business if that qualified business has not fully repaid all money subject to clawback or required to be repaid under a specific repayment provision as provided in any written agreement under this act or if that qualified business is in default on any grant, loan, investment, or other economic assistance made or guaranteed by this state. All money paid to the fund ~~pursuant to~~ **under** a clawback or specific repayment provision for a qualified investment under this program ~~shall~~ **must** be deposited in the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254. The fund shall not use money allocated to the program for administrative purposes. Any money that is allocated to the program that remains unexpended, unallocated, or unobligated at the end of a fiscal year ~~shall revert~~ **reverts** back to the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.

(8) Not later than March 15 of each year, the fund shall transmit to each member of the legislature, the governor, the clerk of the house of representatives, the secretary of the senate, and

the senate and house fiscal agencies a report on the activities of the critical industry program. The report must include **all of** the following:

(a) A list of qualified businesses that received a qualified investment.

(b) The type of project or product approved for a qualified investment.

(c) The amount and type of qualified investment.

(d) For each separate form of qualified investment, all of the following:

(*i*) The number of qualified jobs committed or projected to be created or retained as a result of a technological shift in product or production when the qualified investment was applied for.

(*ii*) The actual number of qualified jobs created or retained as a result of a technological shift in product or production that are not temporary employees.

(*iii*) The average annual salary of the qualified jobs created or retained as a result of a technological shift in product or production that are not temporary employees.

(e) The duration of the qualified investment.

(f) The amount of other financial assistance other than state resources.

(g) Money or other revenue or property returned to the strategic outreach and attraction reserve fund, created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, including any clawbacks and repayments due to a breach of the written agreement.

(9) If the fund fails to transmit the report as required in subsection (8) on or before March 15, the ~~fund~~ board shall not

disburse funds for a qualified investment under this program until ~~it~~ **the fund** transmits the report as required under subsection (8).

(10) The legislature finds and declares that funding provided under this program is for a public purpose and serves the health, safety, and general welfare of the residents of this state.

(11) As used in this section:

(a) "Critical industry program" or "program" means the critical industry program created ~~in~~ **under** subsection (1).

(b) "Qualified business" means a business that is located in or operates in this state or will locate or will operate in this state as determined by the ~~fund~~ board. A qualified business may include more than 1 business as determined by the ~~fund~~ board.

(c) "Qualified investment" means a grant, loan, or other economic assistance for a project subject to a written agreement with a qualified business under this program. Qualified investment includes a grant, loan, or other economic assistance for creation or retention of qualified jobs as a result of a technological shift in product or production, infrastructure improvements, other capital investments, the purchase or acquisition of heavy machinery, or other assistance, including, but not limited to, an agreement providing for assistance via the transportation economic development fund created under section 2 of 1987 PA 231, MCL 247.902. Qualified investment also includes a grant, loan, or other economic assistance for job training opportunities or workforce development and education, or both.

(d) "Qualified job" means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer, or an employee leasing company or professional employer organization on behalf of the employer, or **a**

job performed by an individual who is not a resident of this state and is employed by a business at a project location that is located in this state, as determined and verified by the fund.

Sec. 88t. (1) The fund shall create and operate the Michigan strategic site readiness program. The fund shall use the program money transferred from the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, or money appropriated to the program to make grants, loans, or other economic assistance under this program.

(2) The fund shall expend money allocated to the Michigan strategic site readiness program only to provide grants, loans, and other economic assistance for eligible applicants to conduct eligible activities for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites. The program must provide for a detailed application, approval, and compliance process that is also published and available on the fund's website. The detailed application, approval, and compliance process must, at a minimum, provide for ~~all~~ **both** of the following:

(a) An eligible applicant may apply for a grant, loan, or other economic assistance in a form and manner determined by the fund.

(b) The fund shall establish separate application criteria for mega-strategic sites and for strategic sites that are not mega-strategic sites and for sites that have, and that do not have, a specifically identified end user.

(3) Before approving an application under this section, the

fund shall consider and document, at a minimum, all of the following criteria to the extent reasonably applicable as reasonably determined by the ~~fund~~ board to the type of project proposed before entering into a written agreement for a grant, loan, or other economic assistance as provided under this program:

(a) The importance of the project or eligible activities to the community in which ~~it~~ **the project** is located.

(b) If the project will act as a catalyst for additional revitalization of the community in which ~~it~~ **the project** is located and this state.

(c) The amount of local community and financial support for the project.

(d) The amount of any other economic assistance or support provided by this state for the project.

(e) The amount of any other economic assistance or support provided by the federal government for the project including, but not limited to, federal appropriations or tax credits.

(f) The amount of any private funds or investments for the project including the applicant's own investments in the project.

(g) The applicant's financial need for a grant, loan, or other economic assistance under this program.

(h) The extent of reuse of vacant buildings, public or private, reuse of historic resources, and redevelopment of blighted property.

(i) Creation or retention of qualified jobs as a result of a technological shift in product or production at the project location and ~~within~~ **in** this state.

(j) Whether and how the project is financially and economically sound.

(k) Whether and how the project converts abandoned public buildings to private use.

(*l*) Whether and how the project promotes sustainable development.

(m) Whether and how the project involves the rehabilitation of a historic resource.

(n) Whether and how the project addresses areawide redevelopment.

(o) Whether and how the project addresses underserved markets of commerce.

(p) The level and extent of environmental contamination.

(q) Whether and how the project will compete with or affect existing Michigan businesses within the same industry.

(r) Whether and how the project's proximity to rail and utility will impact performance of the project and maximize energy and logistics needs in the community in which ~~it~~ **the project** is located and in this state.

(s) The risk of obsolescence of the project, products, and investments in the future.

(t) The overall return on investment to this state.

(u) Whether the proposed strategic site or mega-strategic site is incorporated into a strategic plan of a political subdivision of this state.

(v) Any other additional criteria approved by the fund board that are specific to each individual project and are consistent with the purpose of this program.

(4) If the fund determines, after the considerations under subsection (3), to provide a grant, loan, or other economic assistance to an eligible applicant under this program, the fund

shall enter into a written agreement with the eligible applicant that includes in a clear and concise manner all of the terms and conditions related to the grant, loan, or other economic assistance as determined and documented by the fund board, including, but not limited to, **all of** the following:

(a) Specific dates and benchmarks for the eligible applicant to receive a grant, loan, or other economic assistance under this program, including conditions for the disbursement of funds in installments.

(b) For a grant, loan, or other economic assistance provided to a person identified as the end user of the site, a clawback and specific repayment provision if the person fails to comply with the provisions of the written agreement.

(c) A provision that all money that is subject to clawback or required to be repaid under a specific repayment provision must be paid ~~within~~ **not later than** 90 days ~~of~~ **after** notification by the fund. Any amounts not paid within that 90-day period are subject to a penalty of 1% per month, prorated on a daily basis.

(d) A provision that this state shall have a security interest as **that term is** defined in section ~~1201(2)(*ii*)~~ **1201** of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the grant, loan, or other economic assistance provided under this program. This provision does not apply if it conflicts with any contractual obligation of the eligible applicant or any federal or state bankruptcy or insolvency laws.

(e) An audit provision that requires the fund to verify that the established benchmarks for the project have been met.

(5) In addition to the considerations under subsection (3), in determining whether to approve a grant, loan, or other economic

assistance for a strategic site for which an end user has not been specifically identified, the fund shall consider and document, as reasonably determined by the ~~fund~~ board, at a minimum all of the following:

(a) The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:

(*i*) Whether the proposed site is currently assembled.

(*ii*) Whether the proposed site is under site control.

(*iii*) Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development ~~upon~~ **on** completion of the grant, loan, or other economic assistance proposed to be offered under this program and demonstrated matching contributions.

(b) Whether the proposed investment will result in the elimination of blight and the remediation of environmental contamination.

(c) The degree of local matching contributions.

(d) Whether the award will promote geographic equity in the distribution of funds between different areas of this state.

(e) Whether the eligible applicant has pursued all available cost-containment measures.

(6) In determining whether to approve a grant, loan, or other economic assistance for a mega-strategic site for which an end user has not been specifically identified, the fund shall consider and document, in addition to the criteria in subsections (3) and (5)(a), at a minimum all of the following criteria related to the strategic basis for the investment and feasibility of the investment:

(a) Whether the proposed mega-strategic site is supported by a strategic analysis that supports the demand for that site.

(b) The feasibility of proposed land acquisition.

(c) Utility and transportation availability, and the feasibility of necessary utility and transportation improvements.

(d) Workforce availability and training capability.

(e) Environmental and topographical conditions, and the feasibility of necessary site improvements to address environmental and topographical conditions.

(7) In addition to the considerations under subsection (3), in determining whether to approve a grant, loan, or other economic assistance for a project for which an end user has been specifically identified, the fund shall consider and document, as reasonably determined by the ~~fund~~ board, all of the following:

(a) The strategic economic importance of the project to the community in which ~~it~~ **the project** is located and to this state.

(b) Whether the financial assistance is needed to secure the project in this state.

(c) The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located.

(d) The level of creation or retention of qualified jobs as a result of a technological shift in product or production.

(e) Whether the qualified jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located.

(f) The level of capital investment.

(g) The evidence of the end user's commitment to the site.

(8) If the fund receives a request to modify an existing

written agreement for a grant, loan, or other economic assistance under this program, the fund must provide a copy of that requested modification to each member of the legislature, the governor, the clerk of the house of representatives, the secretary of the senate, and the senate and house fiscal agencies ~~within~~ **not later than** 5 business days ~~of~~ **after** the receipt of the modification request. In addition to the copy of the request for modification, the notice provided under this subsection must also include the specific provisions to be modified and the rationale for considering the modification. Before the fund modifies an existing written agreement for a grant, loan, or other economic assistance under this program, the fund must give notice of the proposed amendments and publish them on the fund's internet website at least 1 business day ~~prior to~~ **before** a public hearing on the proposed amendments. If the fund approves and modifies an existing written agreement under this subsection, the fund must provide a copy of that amended written agreement to each member of the legislature, the governor, the clerk of the house of representatives, the secretary of the senate, and the senate and house fiscal agencies ~~within~~ **not later than** 1 business day ~~of~~ **after** the modification.

(9) In making an award for a mega-strategic site under this program that does not have a specifically identified end user, the fund, working in collaboration with the eligible applicant, shall prepare a mega-strategic site investment strategy and spending plan that details the sequence and cost of anticipated investments in the selected mega-strategic site, the benchmarks for bringing the mega-strategic site to a marketable condition, and the marketing strategy for the mega-site. Each plan must have the objective of establishing a certified mega-strategic site under a nationally

recognized third-party certification program.

(10) The fund shall post on ~~its~~ **the fund's** website or post on the website of the Michigan economic development corporation, not less than every 3 months, the name of the eligible applicant or applicants, the location of each site that received a grant, loan, or other economic assistance under this program in that period, and the amount of the grant, loan, or other economic assistance.

(11) Notwithstanding anything to the contrary in this section, the program may make grants and provide technical assistance to local economic development corporations for the purpose of creating an inventory of development-ready sites, ~~provided that~~ **if** the inventory ~~shall utilize~~ **utilizes** nationally recognized criteria to identify the readiness of those sites for investment, and ~~provided further that~~ **if** the fund ~~shall maintain~~ **maintains** a comprehensive inventory of those sites on ~~its~~ **the fund's** website. The inventory maintained on the website ~~shall~~ **must** include in an interactive and user-friendly manner a listing of all local and state development-ready sites and any pictures, maps, and other documentation related to those sites.

(12) The fund board shall not disburse money from the program for a grant, loan, or other economic assistance to an eligible applicant if that eligible applicant has not fully repaid all money subject to clawback or required to be repaid under a specific repayment provision as provided in any written agreement under this act or if that eligible applicant is in default on any grant, loan, or other economic assistance made or guaranteed by this state. All money paid to the fund ~~pursuant to~~ **under** a clawback or specific repayment provision for a grant, loan, or other economic assistance under this program ~~shall~~ **must** be deposited in the strategic

outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254. The fund shall not use money allocated to the program for administrative purposes. Any money that is allocated to the program that remains unexpended, unallocated, or unobligated at the end of the fiscal year ~~shall revert~~ **reverts** back to the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.

(13) Not later than March 15 of each year, the fund shall transmit to each member of the legislature, the governor, the clerk of the house of representatives, the secretary of the senate, and the senate and house fiscal agencies a report on the activities of the Michigan strategic site readiness fund. The report must include **all of** the following:

(a) A list of eligible applicants that received a grant, loan, or other economic assistance.

(b) The type of project or eligible activities approved for an award under this program.

(c) The amount and type of each award.

(d) The duration of the grant, loan, or other economic assistance.

(e) The amount of other financial assistance other than state resources.

(f) Money or other revenue or property returned to the strategic outreach and attraction reserve fund, including any clawbacks and repayments due to a breach of the written agreement.

(14) If the fund fails to transmit the report as required in subsection (13) on or before March 15, the ~~fund~~ board shall not disburse money for a grant, loan, or other economic assistance

under this program until ~~it~~ **the fund** transmits the report as required under subsection (13).

(15) The legislature finds and declares that funding provided under this program is for a public purpose and serves the health, safety, and general welfare of the residents of this state.

(16) As used in this section:

(a) "Eligible activities" means, with respect to a site that is the subject of an application under this program, 1 or more of the following:

(*i*) Land acquisition and assembly.

(*ii*) Site preparation and improvement.

(*iii*) Infrastructure improvements that directly benefit the site, including, but not limited to, transportation infrastructure, water and wastewater infrastructure, and utilities necessary to service the site.

(*iv*) Any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site.

(*v*) Environmental remediation.

(*vi*) Architectural, engineering, surveying, and similar professional fees.

(b) "Eligible applicant" means an applicant that is 1 or more of the following:

(*i*) A political subdivision of this state, including, but not limited to, a county, city, village, township, charter township, or instrumentality of a county, city, village, township, or charter township.

(*ii*) A local economic development corporation or similar entity.

(*iii*) A person ~~who~~ **that** is the owner of the site for which the

improvements are proposed, but ~~who~~ **that** is not the end user of that site, ~~provided that~~ **if** that person ~~must apply~~ **applies** jointly with an applicant under subparagraph (*i*) or (*ii*).

(*iv*) In the case of an application for a site for which a specific person has been identified as the end user, the person that is or will be the end user of that site.

(c) "End user" means the person, either directly or through an affiliate, that will establish and operate the manufacturing or other commercial enterprise that constitutes the end use of the improved site.

(d) "Mega-strategic site" means a strategic site that is or will be used for a large industrial project.

(e) "Michigan strategic site readiness program" or "program" means the Michigan strategic site readiness program created ~~in~~ **under** subsection (1).

(f) "Qualified job" means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer, or an employee leasing company or professional employer organization on behalf of the employer, or **a job performed** by an individual who is not a resident of this state and is employed by a business at a project location that is located in this state, as determined and verified by the fund.

(g) "Strategic site" means a site, whether publicly or privately owned, that is, or subsequent to a proposed acquisition will be, used for manufacturing or other commercial use.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 6347 (request no. H02809'25) of the 103rd Legislature is enacted into law.