

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 239 (Substitute S-1 as reported by the Committee of the Whole)  
Senate Bill 240 (as reported by the Committee of the Whole)  
Sponsor: Senator Tom George  
Committee: Local, Urban and State Affairs

### **CONTENT**

The bills would amend two statutes to do the following:

- Allow a county to grant or loan funds to a nonprofit corporation or a local unit of government for the purpose of economic development or business expansion or location.
- Require a county to establish an application process.
- Require an application to include a statement of the public purpose for which the funding was made available.
- Require a grant or loan to be awarded at a public hearing of the county board of commissioners.

Senate Bill 239 (S-1) would amend Public Act 156 of 1851, which prescribes the powers and duties of county boards of commissioners, to allow a county board of commissioners to grant or loan funds to a nonprofit corporation organized for the purpose of providing loans for private sector economic development initiatives. A nonprofit corporation that received funds would be subject to the Freedom of Information Act for all related activities.

Senate Bill 240 would amend Public Act 380 of 1913, which regulates gifts of property to local units of government, to allow a county to grant or loan funds to a township, city, or village located in the county, for the purpose of encouraging and assisting businesses to locate and expand within the county.

The application process for proposals to receive a grant or loan would have to require adequate public notice that funds were available, the criteria for awarding the funding, and a specific statement of the public purpose for which the funding was being made available. A grant or loan contract would have to require a report to the county board of commissioners, at least annually, regarding the recipient's activities, and the degree to which the recipient had met the stated public purpose of the funding. Funds loaned or granted could not be derived from a county's ad valorem taxes.

MCL 46.11 (S.B. 239)  
123.872 (S.B. 840)

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bills would have an unknown, although likely minimal impact on local units. The bills would not affect State expenditures and the effects on State revenues would likely be negligible or zero.

Date Completed: 3-19-03

Fiscal Analyst: David Zin