



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 213 (Substitute S-1 as reported)
Senate Bill 214 (Substitute S-3 as reported)
Sponsor: Senator Mallory McMorrow (S.B. 213)
Senator John N. Damoose (S.B. 214)
Committee: Economic and Community Development

CONTENT

Senate Bill 214 (S-3) would amend the Michigan Strategic Fund Act to create the Strategic Advisory Board (Board) within the Michigan Strategic Fund (MSF) and prescribe its members and duties.

Senate Bill 213 (S-1) would amend the Michigan Strategic Fund Act to do the following:

- Require the Board to develop a strategic plan within a year of the bill's effective date for the following 10 years and require the Michigan Economic Development Corporation (MEDC) to update the plan annually thereafter.
- Prescribe the components of the strategic plans, including the identification of goals for economic development anchored in population growth and prosperity of residents and strategies to achieve those goals, among other things.
- By May 1, 2027, and annually after, require the MEDC to compile a report on the plans, submit the report to the Governor and certain House and Senate committees, and publish the report on the MSF or MEDC website.

The bills are tie-barred.

Proposed MCL 125.2009a & 125.2009b (S.B. 214)
Proposed MCL 125.2009c (S.B. 213)

BRIEF RATIONALE

Michigan is a swing state, a state in which the country's two major political parties have similar levels of support among voters. As a result, control of the State's administration may change from election to election. Testimony before the Senate Committee on Economic and Community Development indicates that businesses may view the State's political variability as a disadvantage when considering whether to relocate. Reportedly, businesses prefer consistency, which some believe Michigan lacks. Accordingly, it has been suggested that the State adopt a long-term, unifying economic development strategy to offer consistency to current and prospective businesses.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bills 213 and 214 are respectively similar to Senate Bills 1116 and 1117 from the 2023-24 Legislative Session. Senate Bills 1116 and 1117 were reported by the Senate Committee on Economic and Community Development but received no further action.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bills would have an indeterminate negative fiscal impact on the MSF and no impact on local units of government. The Department of Labor and Economic Opportunity would incur the costs for staff or support provided to the Board. Members of the Board would serve without compensation; however, they could be reimbursed for actual and necessary expenses incurred while serving. The typical annual costs to support an advisory council can range from \$10,000 to \$200,000, depending on the travel expenses and staff demands. It is likely that these costs could be absorbed within existing appropriations. These costs would continue until the Board was dissolved when the Board developed a strategic plan.

The MSF would experience minor fiscal costs to provide annual updates on the State's progress towards meeting the goals of the strategic plan.

Date Completed: 5-9-25

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.