

SUBSTITUTE FOR
HOUSE BILL NO. 4420

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 1365a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1365a. (1) Except as provided in this section, a state
2 agency shall not expend appropriated enhancement grant funds. An
3 enhancement grant included in a bill or conference report passed by
4 the legislature must be publicly disclosed on the department's
5 webpage created under subsection (4) by April 1, or the first
6 business day after April 1, of the same calendar year the
7 enhancement grant is considered by the legislature and for not less
8 than 14 days before passage of a bill or conference report. The
9 sponsoring legislator shall provide the enhancement grant

information to the department not later than 10 business days before April 1 of the calendar year the enhancement grant is considered by the legislature. The public disclosure form for an enhancement grant must be submitted in the following form:

Enhancement Grant Information

1. Sponsoring legislator's full name:
2. Cosponsoring legislators' names (if applicable):
3. Intended grant recipient:
4. Physical address of grant recipient:
5. List the grant impacted districts and corresponding state senators and representatives and their district numbers:
6. Requested amount of the grant:
7. What is the purpose of the enhancement grant?
8. How does the enhancement grant provide a public benefit that is an appropriate use of taxpayer money? Demonstrate that the grant is also not for a local or private purpose under section 30 of article IV of the state constitution of 1963 in your answer:
9. Has the grant previously received or been awarded any of the following types of funding? Check all that apply.
 - ☐ Federal
 - ☐ State
 - ☐ Local
 - ☐ Private
10. Estimated time frame for completion of the grant project:

Additional Information For Nonprofit Organizations (if applicable)
The answer to questions 1 to 3 must be "Yes" for the nonprofit to qualify for an enhancement grant.

1 1. Has the nonprofit organization ☐ Yes ☐ No
 2 continuously operated in this
 3 state for the preceding 36
 4 months?

5 2. Has the nonprofit organization ☐ Yes ☐ No
 6 had a physical office in this
 7 state for not less than the
 8 preceding 12 consecutive months?

9 3. Does the nonprofit ☐ Yes ☐ No
 10 organization have a board of
 11 directors?

12 4. List all of the officers and active members on the board of
 13 directors:

14
 15 Certification By Sponsoring Legislator

16 "I certify that my immediate family members, legislative staff
 17 members, and I have no direct or indirect pecuniary interest in the
 18 requested enhancement grant."

19 "I certify that this enhancement grant is not intended for a for-
 20 profit entity."

21 "I certify that the information in this form is true to the best of
 22 my knowledge."

23 Signature: _____

24 (2) The sponsoring legislator must provide the completed form
 25 required under subsection (1) to the department. The department
 26 must provide the completed form to the chairpersons of the senate
 27 and house of representatives appropriations committees, senate
 28 fiscal agency, and house fiscal agency.

29 (3) A for-profit business is not eligible to receive an

1 enhancement grant. A nonprofit organization is eligible for an
2 enhancement grant only if it meets all of the following
3 requirements:

4 (a) Has continuously operated in this state for the preceding
5 36 months.

6 (b) Has had a physical office in this state for not less than
7 the preceding 12 consecutive months.

8 (c) Has a board of directors.

9 (4) An enhancement grant must not be used to pay a tax lien,
10 delinquent tax, or other obligation owed to this state.

11 (5) The department shall develop a webpage on the department's
12 official website to display the completed public disclosures
13 required under subsection (1). The webpage developed under this
14 subsection must be conspicuously available to the public. The
15 department shall post the completed public disclosures on the
16 webpage not later than the following, as applicable:

17 (a) For the calendar year 2026, 10 business days after the
18 development of the webpage.

19 (b) 10 business days after the department's receipt of the
20 complete public disclosure.

21 (6) Not later than 30 days after an enhancement grant is
22 appropriated to a state agency, the department shall update the
23 public webpage created in subsection (5) to include the amount of
24 funding that was appropriated for the enhancement grant and the
25 status of the funding.

26 (7) Not later than 30 days after an enhancement grant is
27 appropriated to a nonprofit organization, the nonprofit shall
28 provide its internal revenue service form 990, 990-EZ, or other
29 990-series return for the most recent tax year to the department.

1 Not later 10 business days after receipt of the form, the
2 department shall post, to the extent permitted by law, the form to
3 the public webpage created in subsection (5).

4 (8) As used in this section:

5 (a) "Enhancement grant" means an appropriation that authorizes
6 or obligates a specific amount of money for a contract, grant,
7 loan, or other economic assistance, incentive, or expenditure to a
8 specific person, organization, unit of local government, or project
9 or activity in a unit of local government, other than through a
10 formula-driven or competitive award process.

11 (b) "Immediate family member" means any of the following
12 individuals:

13 (i) An individual's parent, child, sibling, or spouse.

14 (ii) Any other individual who resides in the same household as
15 the individual.

16 (c) "Legislator" mean a duly elected individual who serves in
17 either the senate or house of representatives.

18 (d) "Staff member" means an individual who is currently or,
19 within the prior 2 years, has been employed by the senate or house
20 of representatives.

21 Enacting section 1. This amendatory act takes effect January
22 1, 2026.