Legislative Analysis

MAKE IT IN MICHIGAN FUND AND TRANSFORMATIONAL PROJECTS AUTHORITY

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Senate Bill 559 (H-5) as reported from House committee
Sponsor: Sen. Mallory McMorrow

Senate Bill 562 (H-1) as reported
Sponsor: Sen. Mary Cavanagh

House Bill 5768 as reported
Sponsor: Rep. Jason Hoskins

House Bill 5769 (H-2) as reported
Sponsor: Rep. Jason Morgan

House Bill 5770 as reported
Sponsor: Rep. Mike McFall

House Committee: Economic Development and Small Business
Senate Committee (SBs 559 and 562): Economic and Community Development
Complete to 6-20-24

BRIEF SUMMARY: Senate Bills 559 and 562 would amend the Michigan Strategic Fund Act and the Michigan Trust Fund Act, respectively, to replace the Strategic Outreach and Attraction Reserve (SOAR) Fund with the "Make it in Michigan" Fund and make various changes to the current SOAR programs.

House Bill 5769 would create a new act to establish a grant program for public transit operations, to be funded by a proposed Michigan Mobility Trust Fund and administered by a new authority created within the Department of Transportation. House Bill 5768 would amend the Income Tax Act to replace the current SOAR Fund distribution with distributions to the Michigan Mobility Trust Fund, the Make it in Michigan Fund, and the Michigan Housing and Community Development Fund through the 2034-35 fiscal year. House Bill 5770 would amend the Michigan Trust Fund Act to establish the Michigan Mobility Trust Fund.

The bills are tie-barred together, meaning that none of them can take effect unless all five bills are enacted.

FISCAL IMPACT: Senate Bills 559 and 562 would increase costs for the Michigan Strategic Fund (MSF) by an indeterminate amount, largely by expanding its responsibilities. House Bill 5768 would directly reduce general fund revenues by *up to* \$550.0 annually beginning in FY 2025-26 and ending in FY 2034-35. (See **Fiscal Information**, below, for more information.)

THE APPARENT PROBLEM:

The Strategic Outreach and Attraction Reserve Fund was created in 2021 to fund Michigan's economic development incentives through the Critical Industry Program and the Michigan Strategic Site Readiness Program. The SOAR Fund has received over \$2.0 billion in deposits since its creation and has been credited with attracting major investments for electric vehicle battery projects to the state. However, the program has also received criticism for not doing enough to create good-paying jobs, attract new residents, and ensure that companies receiving the incentives follow through on the projects.

THE CONTENT OF THE BILLS:

Senate Bill 559 would amend the Michigan Strategic Fund Act to modify the Critical Industry Program (CIP) and the Michigan Strategic Site Readiness Program (SSRP) and require the programs to be funded through the Make it in Michigan Fund rather than the SOAR Fund. The bill would not affect agreements for CIP or SSRP awards or related assistance that are in effect before the bill takes effect.

Critical Industry Program[1]

The MSF operates the CIP and uses money transferred from the SOAR Fund or other appropriated money to make ***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[2] or make capital investments, or both, as determined by the MSF board.[3]

> With respect to the Critical Industry Program, a ***qualified investment*** means a grant, loan, or other economic assistance for a project subject to a written agreement with a qualified business under the CIP. It includes grants, loans, and other economic assistance for the 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.[4] Senate Bill 559 would delete the italicized language and instead provide that a qualified investment includes assistance for the creation or retention of qualified jobs *that the MSF determines are critical to the economic growth and development of the state*.
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> ***Qualified business*** means a business located or operating in Michigan or a business that will locate or operate in Michigan as determined by the MSF board. A qualified business may include more than one business, as determined by the MSF board.
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> ***Qualified job*** means a job performed by a Michigan resident whose state income taxes are withheld by an employer, by an employee leasing company or professional employer organization on behalf of the employer, or by an individual who is not a Michigan resident and is employed by a business at a project location that is in Michigan, as determined and verified by the MSF.

[1] For an overview of the Critical Industry Program, see: https://www.michiganbusiness.org/services/incentives-and-taxes/cip/.
[2] The bill would delete requirements that an eligible job must be created or retained as a result of a technological shift in product or production. Instead, the MSF would determine whether a job is critical to the economic growth and development of the state.
[3] Senate Bill 559 would specify that the program is operated and administered by the authorized employees, officers, and agents of the MSF, which could include employees of the MEDC.
[4] The term also includes a grant, loan, or other economic assistance for job training opportunities or workforce development and education.

CIP criteria

The MSF would have to consider and document the following before entering into a written agreement for a qualified investment under the CIP:[5]

- The potential economic impact of the project for the community and in Michigan.
- The degree to which the project will catalyze economic growth in Michigan and the community in which it is located.
- The amount of local community and financial support for the project.
- The applicant's financial need for the qualified investment, including whether the amount of the investment is necessary and does not exceed the amount required to make the project feasible or secure the project in Michigan.
- The anticipated creation or retention of qualified jobs at or as a result of the project.
- Whether and to what extent the federal government is supporting the project through grants, loans, loan guarantees, appropriations, tax credits, or other expenditures.
- The level of private money, investments, or contributions to the project, with the size of the project not disadvantaging a project that otherwise satisfies the MSF's criteria.
- The state's overall return on investment, accounting for all forms of direct state assistance and the overall economic impact to the state.
- Whether the qualified jobs associated with the project are at or above the median wage of the prosperity region in which the project is or will be located, with priority given to projects anticipated to provide higher wages and more robust employee benefits.[6]
- Whether the project is in a *low-income community*[7] or a *qualified opportunity zone*.[8]
- Whether the project furthers one or more of the following strategic goals:
    - Securing long-term commitments to the state from incumbent, strategically critical industries undergoing transformation due to changing technology or market forces.
    - Promoting the diversification of the state into high-wage, high-growth economic sectors.
    - Providing opportunities for the expansion of in-state businesses, if the expansion otherwise advances the described criteria and strategic goals.
    - Creating a balanced portfolio of projects relating to the assisted industry, location of projects, and size of projects.

Written agreements

If the MSF decides to award a qualified investment to a qualified business, it currently must enter a written agreement with the business that includes the following, in addition to any other terms and conditions related to the investment:

- Specific dates and benchmarks for the business to receive the investment, including any conditions for the disbursement of money in installments.

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[5] The current criteria can be found here: https://www.michiganbusiness.org/48f6cb/globalassets/documents/reports/fact-sheets/critical-industry-program-guidelines.pdf.

[6] See https://www.michigan.gov/mshda/developers/opportunity-zones/opportunity-zone-prosperity-region-maps.

[7] ***Low-income community*** would mean, as defined by federal law, a population census tract for which the poverty rate is at least 20%, a census tract not within a metropolitan area for which the median family income does not exceed 80% of the state average, or a census tract within a metropolitan area for which the median family income does not exceed 80% of either the statewide median or metropolitan area median.
See: https://www.govinfo.gov/content/pkg/USCODE-2022-title26/pdf/USCODE-2022-title26-subtitleA-chap1-subchapA-partIV-subpartD-sec45D.pdf#page=2.

[8] See https://michigan.maps.arcgis.com/apps/webappviewer/index.html?id=8b1413d59b8d420faaf5217a5ab52851.

- Specific terms relating to the required qualified job creation or the retention of qualified jobs, including measurable outcomes, prorated payments for partial performance, and clawback or specific repayment provisions for noncompliance.
- Specific penalties for noncompliance, as determined by the MSF.
- A provision that all money subject to a clawback or that is required to be repaid under a specific repayment provision must be paid within 90 days after notification from the MSF, and any amounts not paid within that period will be subject to a 1% monthly penalty, prorated daily.
- A provision that the state may have a ***security interest*** to the extent of the investment, as determined by the MSF board, unless doing so conflicts with any contractual obligation of the qualified business or with any applicable bankruptcy or insolvency laws.
- A requirement that the business provide all data necessary for the MSF's annual legislative reports.
- A provision authorizing the business to enter into direct agreements with workforce training providers to meet the qualified investment's workforce requirements, as the MSF determines appropriate.[9]

  Security interest would mean, as defined in the Uniform Commercial Code, an interest in personal property or fixtures that secures payment or performance of an obligation.

Senate Bill 559 would additionally require the written agreement to include an audit provision requiring the MSF to verify that the benchmarks required for the project have been satisfied. In establishing measurable commitments for job creation or retention, the MSF would have to determine a baseline of the business's existing or anticipated employment in Michigan and measure the net creation or retention of qualified jobs in comparison to that baseline.

An agreement would also have to include the following:

- Specific terms relating to the proration of future disbursements if a qualified business fails to meet its commitments.
- A provision requiring the business to disclose whether, to its knowledge, there are any pending legal proceedings that could have a materially adverse effect on the project, the qualified business, or the performance of its obligations under the agreement.
- A provision requiring the business to undertake commercially responsible efforts to do all of the following, with specific accountability measures for noncompliance:
  - Engage with the community in which the project will be located regarding the project's details and impact, including opportunities for community members to benefit from the project through employment, contracting opportunities, or enhanced business opportunities.
  - Work with local skilled workforce agencies to maximize workforce development opportunities related to the project's construction and ongoing operations.
  - Use best practices related to sustainable development and environmental mitigation to minimize the project's ecological and environmental impacts on the surrounding community.

[9] Senate Bill 559 would remove this requirement.

- Engage with local chambers of commerce, supplier development councils, local economic development organizations, or other similar organizations to participate in the construction of the project or business supply chain.

Before entering into an agreement, the MSF would have to provide a copy of the available negotiated terms of the agreement and the MSF's written analysis of the criteria considered to the Senate majority leader, the speaker of the House, the Senate and House minority leaders, and the chairs of the Senate and House appropriations committees. After entering into an agreement, the MSF would have to post a copy of its written analysis on the MSF website or the Michigan Economic Development Corporation (MEDC) website.

Clawbacks

Currently, all money paid to the MSF pursuant to a clawback or repayment provision for a project receiving money from the CIP is deposited in the SOAR Fund, and all money allocated to the program that remains unexpended, unallocated, or unobligated at the end of a fiscal year would revert back to the SOAR Fund. Senate Bill 559 would instead provide that any money paid pursuant to a clawback or repayment provision would be deposited in the general fund, and any money appropriated, transferred, or allocated to the program that is not awarded, committed, allocated, or obligated by the MSF would revert to the Make it in Michigan Fund. The bill would also remove provisions that currently prohibit the MSF from using money allocated to the CIP for administrative expenses.

A qualified business that is required to repay money under a clawback or other specific repayment provision of a written agreement but has failed to do so and has not timely cured the failure would be ineligible to receive future investments or other economic assistance through the CIP or SSRP.

Administrative fee

Senate Bill 559 would allow the MSF to retain 3.5% of the amount of a qualified investment awarded to a qualified business for any additional administrative expenses of the CIP. The money would be used to employ at least one full-time permit coordinator, who would be responsible for providing qualified businesses and other recipients of economic assistance under Chapter 8A of the Michigan Strategic Fund Act with assistance in expeditiously obtaining permits or approvals from applicable state departments.

Modification requests

Currently, if the MSF receives a request to modify an existing written agreement for an investment under the CIP, it must provide a copy of the request to each member of the legislature, the governor, the clerk of the House, the secretary of the Senate, and the Senate and House Fiscal Agencies within five business days of receiving the request. Senate Bill 559 would instead require the MSF to provide a copy of the request to the Senate majority leader, the speaker of the House, and the chairs of the Senate and House appropriations committees, rather than all members of the legislature, and would specify that the copy of the modification would have to be provided before the MSF amends the written agreement. (If the MSF approves a modified agreement, a copy of the new agreement must be provided to the officers and entities listed above within one business day. Senate Bill 559 would provide that the only legislators required to receive a copy of the modification would be those listed above.)

Annual report
The MSF's annual report on the CIP would have to include, for each separate qualified investment, the benchmarks for disbursing the investment, whether those benchmarks were achieved, and how much of the investment was disbursed. The report would also have to include the *median* annual wage of the qualified jobs created or retained, rather than the *average* annual salary, and include a comparison to the median annual wage for the prosperity region in which the project is located.

Michigan Strategic Site Readiness Program[10]

The MSF operates the SSRP and uses money transferred from the SOAR Fund or other appropriated money to provide economic assistance to ***eligible applicants*** to create investment-ready sites to attract and promote investments for ***eligible activities*** on or related to ***strategic sites*** and mega-strategic sites.[11]

Eligible applicant means an applicant that is one of the following:

- A political subdivision of the state, including a county, city, village, township, or charter township or an instrumentality of any of those political subdivisions.[12]
- A local economic development corporation or similar authority.
- An owner of the site for which the improvements are proposed that is not its end user, as long as the end user applies jointly with another applicant.
- An end user, when applicable.

With respect to a site that is the subject of a SSRP application, ***eligible activities*** mean land acquisition;[13] site preparation and improvement; infrastructure improvements that directly benefit the site; demolition, construction, alteration, rehabilitation, or improvement of buildings on the site;[14] environmental remediation; and architectural, engineering, surveying, and similar professional fees.[15] Senate Bill 559 would provide that the term also includes administrative fees for administrative costs incurred by the MSF related to administering the funding provided under the program, for up to 5%[16] of the amount of the economic assistance awarded to an eligible applicant.

Strategic site is currently defined under the act as a site that is or will be used for manufacturing or other commercial use. Senate Bill 559 would provide that a qualifying ***site*** would be considered a strategic site, regardless of whether an end user has been specifically identified.

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[10] For an overview of the Michigan Strategic Site Readiness Program, see: https://www.michiganbusiness.org/services/incentives-and-taxes/ssrp/.
[11] Senate Bill 559 would specify that the program is operated and administered by the authorized employees, officers, and agents of the MSF, which could include employees of the MEDC.
[12] Senate Bill 559 would allow a land bank to enter into a written agreement with the MSF, if determined necessary.
[13] Senate Bill 559 would specify that include land holding costs are a part of land acquisition and assembly. Additionally, subject to MSF approval, local and regional economic development organizations could use money from the program to acquire real property or interests in real property.
[14] Senate Bill 559 would specify that this includes interior demolition.
[15] Senate Bill 559 would specify that this includes professional fees for site assessment.
[16] The definition of ***eligible activities*** would authorize 5% of an SSRP award to be used for administration, although other provisions of SB 559 would provide that only 3.5% of an award could be used for this purpose.

Site would mean land or land improvements classified by law for general ad valorem tax purposes as real property, including existing industrial or commercial structures that are obsolete or otherwise require the undertaking of eligible activities to create investment-ready conditions.

<u>SSRP criteria</u>
The MSF would have to consider and document the following before entering into a written agreement for a qualified investment under the SSRP:[17]

- The potential economic impact and strategic importance of the project for the community in which it is located and to the state.
- The degree to which the project will catalyze additional revitalization and economic growth in Michigan and the community in which it is located.
- The amount of local and financial support for the project, including 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.
- Whether, and to what extent, the federal government is supporting the project through grants, loans, loan guarantees, appropriations, tax credits, or other expenditures.
- The level of any private funds, investments, or contributions to the project.
- The applicant's financial need for a grant, loan, or other economic assistance under the SSRP, including whether the amount of the qualified investment is necessary and does not exceed the amount required to make the project feasible or secure the project in Michigan.
- The extent of reuse of vacant or obsolete buildings, reuse of historic resources, and redevelopment of blighted property.
- The projected creation or retention of qualified jobs at or as a result of the project location, and if the project is for a commercial use, the other projected economic activity that will result.
- The level and extent of any environmental contamination that may be present and would be remediated.
- Whether and how the project's location and site characteristics make it a priority for development or redevelopment.
- Whether the project is or will be located in a county, city, village, or township with an unemployment rate that exceeds the state average.
- If the strategic site is being made investment-ready in anticipation of a specific end user, the evidence of the end user's commitment to the site.
- Whether the project furthers one or both of the following strategic goals:
    - Promoting the diversification of the state into high-wage, high-growth economic sectors.
    - Creating a balanced portfolio of strategic sites, accounting for the site's size, location, and intended economic sector.

There would no longer be separate criteria for certain sites, and all projects would be evaluated under the criteria listed above.

[17] The current criteria can be found here: https://www.michiganbusiness.org/48fd7b/globalassets/documents/reports/fact-sheets/strategic-site-readiness-program-guidelines.pdf. Different criteria apply for certain sites and for whether an end user for the site has been identified.

Written agreements

If the MSF decides to provide a grant, loan, or other economic assistance to an eligible applicant under the program, it must enter into a written agreement with the applicant that includes the terms and conditions related to the economic assistance.

In addition to the current requirements for the written agreement, Senate Bill 559 would require the agreement to include the amount of the grant, loan, or other economic assistance to be awarded and a provision requiring the applicant to provide all necessary data for the MSF to complete any required audits and comply with the act's reporting requirements.

Before entering into an agreement, the MSF would have to provide a copy of the negotiated terms of the agreement and a written analysis of the criteria considered to the Senate majority leader, the speaker of the House, the Senate and House minority leaders, and the chairs of the Senate and House appropriations committees. After entering into an agreement, the MSF would have to post a copy of its analysis on the MSF website or the MEDC website.

Clawbacks

Currently, all money paid to the MSF pursuant to a clawback or repayment provision for a project receiving money from the SSRP is deposited in the SOAR Fund, and all money allocated to the program that remains unexpended, unallocated, or unobligated at the end of a fiscal year would revert back to the SOAR Fund. Senate Bill 559 would instead provide that any money paid pursuant to a clawback or repayment provision would be deposited in the general fund, and any money appropriated, transferred, or allocated to the program that is not awarded, committed, allocated, or obligated by the MSF would revert to the Make it in Michigan Fund. The bill would also remove provisions that currently prohibit the MSF from using money allocated to the SSRP for administrative expenses.

Administrative fee

Senate Bill 559 would require the MSF to retain 3.5% of the amount of a grant, loan, or other economic assistance awarded to an eligible applicant for any additional administrative expenses of the SSRP. The MSF could use the money to procure or provide technical assistance for the development of a prospective site.

Modification requests

Currently, if the MSF receives a request to modify an existing written agreement for an investment under the SSRP, it must provide a copy of the request to each member of the legislature, the governor, the clerk of the House, the secretary of the Senate, and the Senate and House Fiscal Agencies within five business days of receiving the request. Senate Bill 559 would instead require the MSF to provide a copy of the request to the Senate majority leader, the speaker of the House, and the chairs of the Senate and House appropriations committees, rather than all members of the legislature, and would specify that the copy of the modification would have to be provided before the MSF amends the written agreement. (If the MSF approves a modified agreement, a copy of the new agreement must be provided to the officers and entities listed above within one business day. Senate Bill 559 would provide that the only legislators required to receive a copy of the modification would be those listed above.)

Deleted provisions

The bill would remove a provision that requires the MSF to prepare a mega-strategic site investment strategy and spending plan in collaboration with an eligible applicant when awarding economic assistance under the SSRP for a mega-strategic site with no identified end user.

It would also remove a provision allowing the MSF to make grants and provide technical assistance to local economic development corporations through the SSRP to create an inventory of development-ready sites.

MCL 125.2088s and 125.2088t

Senate Bill 562 would amend the Michigan Trust Fund Act to rename the SOAR Fund as the Make it in Michigan Fund.

The Make it in Michigan Fund would be created in the Department of Treasury rather than the Department of Labor and Economic Opportunity (LEO) but would generally be operated under the same provisions as the SOAR Fund, and the same annual reporting requirements would apply.[18] The state treasurer would deposit money and other assets received through annual distributions of corporate income tax revenue under current law and as provided by HB 5768 (described below), or from any other source, in the Make it in Michigan Fund.[19] Money in the fund could be spent only pursuant to an appropriation or legislative transfer for the Critical Industry Program or the Michigan Strategic Site Readiness Program, and money in the fund would remain in the fund and would not lapse to the general fund at the end of the fiscal year.

The state treasurer could invest money in the Make it in Michigan Fund as follows:

- As part of the common cash of the state, if the money is separately accounted for.
- In an investment for surplus funds authorized under 1855 PA 105, an act that addresses how surplus funds in the state treasury can be invested.
- In an obligation issued by any state, political subdivision, or instrumentality of the United States.
- In an obligation issued, assumed, or guaranteed by a solvent entity created or existing under the laws of the United States or of any state, district, or territory of the United States that is not in default as to principal or interest.
- In another investment authorized by law.

Finally, the bill would define the Michigan Mobility Trust Fund, as would be created by HBs 5769 and 5770.

MCL 12.252 and 12.254

House Bill 5769 would create a new act, the Transformational Projects Authority Act, to provide for the creation of a state entity that would administer financial support programs for public transit operations through the Michigan Mobility Trust Fund (as would be created by HB 5770).

[18] LEO would remain the administrator of the fund for auditing purposes.

[19] The SOAR Fund is currently set to receive $500.0 million in the 2024-25 fiscal year, and House Bill 5768 proposes an annual allocation of $250.0 million in corporate income tax revenue into the Make it in Michigan Fund from the 2025-26 fiscal year and through the 2034-35 fiscal year.

The bill would create the Transformational Projects Authority in the Michigan Department of Transportation (MDOT) to be managed by a five-member board. The authority could do any of the following:

- Adopt and use a corporate seal.
- Establish and maintain an office.
- Sue and be sued in its own name.
- Plea and be impleaded.
- Solicit, receive, and accept any of the following from any person or entity, including a government agency, on acceptable terms and conditions:
    - Gifts.
    - Loans.
    - Grants.
    - Labor.
    - Contributions of money, property, or other things of value.
    - Other aid or payment.
- Participate in a federal, state, local, or intergovernmental program.
- Employ personnel and hire or retain contractors, subcontractors, advisors, consultants, and agents.
- As necessary, incidental, or convenient, make and enter into contracts, agreements, or instruments (such as agreements relating to authorized grants and investments) with any person or entity, including a government agency, on acceptable terms and conditions.
- Do anything necessary or convenient to exercise its powers, duties, functions, and responsibilities under the act or other related laws.

The Transformational Projects Authority could use money in the Michigan Mobility Trust Fund only for supplemental operating grants and qualified investments (as described below), in addition to any administrative costs it incurs under the act. The grants and qualified investments could be used to match federal aid, grants, or other assistance.

The MDOT director would have to direct and supervise the Transformational Projects Authority in performing its budgeting, procurement, and related management functions. The authority would exercise its prescribed statutory powers, duties, and rule-making functions (including the prescription of rules, rates, regulations, and standards and adjudication) independently.

<u>Transformational Projects Authority Board</u>
Members of the Transformational Projects Authority Board would be appointed by the governor with the advice and consent of the Senate. At least two of the five members would need expertise in ***public transportation***, although an officer, employee, contractor, or agent of a ***public transportation provider*** could not serve on the board.

> ***Public transportation*** would mean, as defined by the Regional Transit Authority Act, the movement of individuals and goods by publicly owned bus, rapid transit vehicle, or other conveyance that provides general or special service to the public, including the movement of individuals and goods by privately owned bus, railroad car, street railway vehicle, rapid transit vehicle, or other conveyance that, under a contract with an authority, provides general or special service to the public. The term would exclude

school buses, charter or sightseeing services, and transportation used exclusively for school purposes.

Public transportation provider would mean, as defined by the Regional Transit Authority Act, a public or private entity that provides public transportation services or a contractor that provides services to a public transportation provider, other than a street railway organized under the Nonprofit Stret Railway Act. It would include authorities formed under 1963 PA 55, the Urban Cooperation Act, 1967 (Ex Sess) PA 8, 1951 PA 35, the Public Transportation Authority Act, and the Revenue Bond Act (see **Background Information**, below, for a brief description of these acts). For the purposes of the Transformational Projects Authority Act, the term would also include a regional transit authority created under the Regional Transit Authority Act.[20]

The Senate majority leader, Senate minority leader, speaker of the House, and House minority leader would each submit a list of at least three nominees for the board, and each list would have to include at least one individual with expertise in public transportation. The governor would then appoint one member from each list, in addition to a fifth member.

Board members would be subject to 1968 PA 317 and 1973 PA 196, which concern conflicts of interest for public servants, and members would not be entitled to compensation for their service but could be reimbursed for actual and necessary expenses.

One initial board member would be appointed for a one-year term, one member would be appointed for a two-year term, one member would be appointed for a three-year term, and the remaining two members would be appointed for a four-year term. Subsequent appointees would serve four-year terms. Vacancies would be filled for the balance of the unexpired term in the same manner as the original appointment.

The MDOT director would call the first meeting of the Transformational Projects Authority Board, at which the board would elect a chairperson and any other officers considered necessary or appropriate. The board would then have to meet at least twice per year, and the MDOT director (or a designee from within the department) would have to attend all meetings. Upon the board's request, MDOT would have to assist in making any required decisions.

A majority of the members would constitute a quorum, and a majority of the members present and serving would generally be necessary for official action of the board. (If one or more members recuse themselves, two-thirds of the members present and serving would be required for official board action.) Meetings of the board would have to be held in compliance with the Open Meetings Act, and any writing prepared, owned, used, or possessed or retained by the authority or the board in performing an official function would be subject to the Freedom of Information Act (FOIA).

The Transformational Projects Authority Board could do any of the following:

- Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business.
- Make inquiries, studies, and investigations.

[20] The Regional Transit Authority Act authorized the creation of a regional transit authority in southeast Michigan, serving Wayne, Oakland, Macomb, and Washtenaw counties.

- Hold hearings and receive public comment.
- Consult with experts.
- Establish advisory workgroups that include individuals who are not board members, such as experts in matters of interest to the authority, to assist in performing board duties.
- Adopt, reject, or modify workgroup recommendations.
- Promulgate rules to implement the act under the Administrative Procedures Act.

Supplemental operating grants

The Transformational Projects Authority could use 20% of the money deposited into the Michigan Mobility Trust Fund each year for supplemental operating grants to *eligible governmental entities*[21] and ***eligible authorities***.

> ***Eligible authority*** would mean, as defined by 1951 PA 51, an authority organized under the Metropolitan Transportation Authorities Act.[22] For the purposes of the Transformational Projects Authority Act, the term would also include a regional transit authority created under the Regional Transit Authority Act.
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> ***Eligible governmental agency***[23] would mean, as defined by 1951 PA 51, a county, city, or village, or an authority created under 1963 PA 55, the Urban Cooperation Act, 1967 (Ex Sess) PA 8, 1951 PA 35, the Public Transportation Authority Act, or the Revenue Bond Act.[24]

Supplemental operating grants would generally have to be allocated in a manner that conforms to, supplements, and is proportional to the formula under 1951 PA 51, which directs the priority of appropriations from the Comprehensive Transportation Fund (CTF) and provides for the payment of operating grants to eligible authorities and eligible governmental agencies. However, supplemental grants would have to be calculated in a manner that considers a regional transit authority created under the Regional Transit Authority Act as eligible to receive grants, and the Regional Transit Authority Act's exclusion of expenses incurred by an authority in the planning and operation of a ***rolling rapid transit system*** from eligibility for state operating grants would not apply to the calculation or payment of supplemental operating grants.

> ***Rolling rapid transit system*** would mean, as defined by the Regional Transit Authority Act, bus services that may combine the technology of intelligent transportation systems, traffic signal priority, cleaner and quieter vehicles, rapid and convenient fare collection, and integration with land use policy; rolling rapid transit includes exclusive rights of way, rapid boarding and alighting, and integration with other modes of transportation.

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[21] This term is currently undefined.

[22] The Metropolitan Transportation Authorities Act authorizes two or more counties in a metropolitan area to form a regional transportation authority. The Suburban Mobility Authority for Regional Transportation (SMART) is organized under this statute.

[23] **Note**: House Bill 5769 defines "eligible governmental agencies" as that term is defined in 1951 PA 51, although the bill otherwise refers to "eligible governmental *entities*."

[24] This list represents the public transit agencies recognized in state law as eligible for state grant assistance.

Money granted to a public transportation provider in accordance with these provisions would be supplemental and in addition to other money the provider could receive from the CTF.

The Transformational Projects Authority could not spend money in a fiscal year where the amount appropriated from the CTF for operating grants is less than the amount expended for operating grants in the 2024-2025 fiscal year.

<u>Qualified investments</u>
If there is money remaining in the Michigan Mobility Trust Fund after the disbursement of the required supplemental operating grants, then the Transformational Projects Authority could make ***qualified investments*** in ***transformational mobility projects*** for public transportation providers and political subdivisions. The authority would have to consider the following criteria to the extent reasonably applicable before entering into a written agreement with a recipient for an investment:

a) Whether the qualified investment is for the development, expansion, or enhancement of high-capacity public transportation, such as a rapid rolling transit system, commuter rail, or intercity rail transportation.
b) Whether the qualified investment is for the development, expansion, or enhancement of regional or multijurisdictional public transportation that connects major population, employment, educational, healthcare, or other activity centers.
c) Whether the investment is for the development, expansion, or enhancement of innovative and flexible public transportation intended to meet mobility needs in lower density areas, for first- and last-mile transportation solutions, or for other specialized public transportation purposes.
d) The extent of support for the investment within the impacted region, including from local government, public transportation providers, and other regional anchor institutions.
e) The degree of financial participation from regional entities impacted by or supporting the investment (such as from local government, public transportation providers, and other regional entities), considering the financial capacity of those entities.
f) The readiness and the financial feasibility and sustainability of the qualified investment, with the investment facilitating a complete capital and operating financial model for the project supported by the investment, with the highest priority for financial assistance provided when the qualified investment is necessary to meet a capital or operating matching requirement for federal funding through section 5309 of the Federal Transit Act (see **Background Information**, below).
g) Whether the proposed investment will provide locally or regionally significant benefits for the movement of people or goods, regional economic growth, and the attractiveness of the region for population growth, job growth, or tourism, with priority given to a qualified investment that connects to public transportation, is multimodal, or has nonmotorized component.

   Qualified investment would mean a grant, loan, or other economic assistance provided by the Transformational Projects Authority to a public transportation provider or a political subdivision for a project eligible for assistance under the Federal Transit Act or under Title 23 ("Highways") of the United States Code, including operating support for public transportation.

Transformational mobility project would mean any of the following:

- For a qualified investment located within an MDOT region[25] with a population of 1.0 million or more, a qualified investment in public transportation that satisfies criteria (a) through (f).
- For a qualified investment located within an MDOT region with a population of 1.0 million or more that includes a public transportation provider that has, before the bill's effective date, implemented a robust level of regional public transportation services that includes a rolling rapid transit system, either of the following:
  - A qualified investment that satisfies criterion (d) and would sustain the operation of the regional public transportation services.
  - A qualified investment that satisfies criteria (d) through (g).
- For a qualified investment located within an MDOT region with a population of less than 1.0 million, a qualified investment that satisfies criteria (d) through (g).

For qualified investments made between October 1, 2025, and September 30, 2034, the Transformational Projects Authority would have to adopt a program administration goal of ensuring that each MDOT region receives a share of the funding that is equal to the region's population in proportion to the state.

If a public transportation provider in an MDOT region with a population of 1.0 million or more that has implemented a robust level of regional public transportation services with rolling rapid transit applies for a qualified investment for assistance to sustain the operation of existing services, the Transformational Projects Authority would have to prioritize that application before others from that region and, subject to the availability of money in the Michigan Mobility Trust Fund, would have to enter into an agreement with the public transportation provider upon the provider's request. Such an agreement would have to prioritize the qualified investment for a specified number of years and provide a streamlined application process, and an investment could not exceed $5.0 million in any fiscal year.

House Bill 5768 would add a new section to the Income Tax Act to provide for the distribution of corporate income tax revenue to various funds through the 2034-2035 fiscal year, including a new Make it in Michigan Fund and a new Michigan Mobility Trust Fund.

Currently, section 695 of the Income Tax Act provides for the annual distribution of revenue collected under Part 2 of the act, which addresses the corporate income tax, as follows:

- Through the 2024-25 fiscal year, up to $1.2 billion to the general fund.
- Up to $50.0 million to the Michigan Housing and Community Development Fund.
- Through the 2024-25 fiscal year, up to $50.0 million to the Revitalization and Placemaking Fund.
- Through the 2024-25 fiscal year, up to $500.0 million to the SOAR Fund.
- Any remaining balance to the general fund.

House Bill 5768 would repeal section 695, effective October 1, 2025, and replace it with a new section, section 695a. Beginning with the 2025-26 fiscal year and through the 2034-35 fiscal

[25] See https://www.michigan.gov/mdot/-/media/Project/Websites/MDOT/Travel/Map/MDOT-Region-Map.pdf

year, the revenue collected under Part 2 of the Income Tax Act would be distributed and deposited as follows, as available and in the following order of priority:

- Up to $1.2 billion to the general fund.
- Up to $100.0 million to the Michigan Housing and Community Development Fund.[26]
- Up to $50.0 million to the Revitalization and Placemaking Fund.[27]
- Up to $200.0 million to the Michigan Mobility Trust Fund, which would be created by HB 5770.
- Up to $250.0 million to the Make it in Michigan Fund, which would take the place of the SOAR Fund as provided by Senate Bill 562.
- Any remaining balance to the general fund.

Beginning with the 2035-36 state fiscal year, all corporate income tax revenue would be deposited in the general fund.

(Effectively, the bill would replace the current $500.0 million annual distribution to the SOAR Fund with a $250.0 million annual distribution to the Make it in Michigan Fund and a $200.0 million annual distribution to the Michigan Mobility Trust Fund, increase the annual distribution to the Michigan Housing and Community Development Fund from $50.0 million to $100.0 million, and continue the $50.0 million annual distribution to the Revitalization and Placemaking Fund, all of which would expire at the end of FY 2034-35.)

MCL 206.695a (proposed) and MCL 206.695 (repealed)

House Bill 5770 would add a new section to the Michigan Trust Fund Act to create the Michigan Mobility Trust Fund in the Department of Treasury. The state treasurer would be responsible for directing the fund's investments.

The Michigan Mobility Trust Fund would receive money or other assets from any source, including income tax revenue deposited in accordance with House Bill 5768 and interest and earnings from the fund's investments. Money in the fund at the close of a fiscal year would remain in the fund and would not lapse to the general fund. The Transformational Projects Authority, which would be created by HB 5769, could expend money from the fund on appropriation only for authorized purposes under the Transformational Projects Authority Act and would be considered the administrator of the fund for auditing purposes.

Proposed MCL 12.254a

HOUSE COMMITTEE ACTION:

Senate Bills 559 and 562 were passed by the Senate in March 2024 with an S-5 and S-2 substitute, respectively; the Senate-passed versions of the bills would have required 50% of the money in the Make it in Michigan Fund to be used for community development activities under a new program, Michigan 360.

[26] For more information on the Michigan Housing and Community Development Fund, see https://www.michigan.gov/mshda/-/media/Project/Websites/mshda/developers/lihtc/Folder2/HCDF-Overview.pdf.
[27] For more information on the Revitalization and Placemaking Fund and the associated grant program, see https://www.michiganbusiness.org/49c837/globalassets/documents/arpa/rap-3-guidelines.pdf.

The House Economic Development and Small Business committee adopted and reported an H-5 substitute for Senate Bill 559, which eliminated Michigan 360 and further modified the MSF's evaluation criteria for projects receiving economic assistance through the CIP and SSRP. Additionally, the House substitute lowered the proposed administrative fee from 5% to 3.5% of an award and required the fee to be used to employ a permit coordinator, added requirements for a written agreement between a business and the MSF under the CIP or SSRP, required the MSF to publish its analysis of the criteria considered in deciding to offer a CIP or SSRP award and share the available terms of a written agreement with the Senate and House minority leaders, added a provision disqualifying a business that fails to repay money owed after violating the terms of an agreement from eligibility for future incentives, required the MSF to establish a baseline for each CIP award to evaluate job creation or retention commitments, and added additional reporting requirements for the MSF's annual CIP report.

The committee also adopted and reported an H-1 substitute for Senate Bill 562 to remove the proposed allocation of 50% of the money deposited into the Make it in Michigan Fund for Michigan 560 projects. The House substitute additionally established the Make it in Michigan Fund in the Department of Treasury rather than in LEO, provided for corporate income tax distributions into the Make it in Michigan Fund in accordance with HB 5768, provided that money would remain in the Make it in Michigan Fund at the end of the fiscal year and would not lapse to the general fund, and defined the Michigan Mobility Trust Fund in the Michigan Trust Fund Act.

In response to concerns raised during House committee testimony about a lack of provisions to ensure regional equity for transit investments in the introduced version of House Bill 5679, the H-2 substitute adopted by the House Economic Development and Small Business committee for the bill added a requirement that the Transformation Projects Authority aim to proportionally allocate qualified investments from the Michigan Mobility Trust Fund in accordance with MDOT region populations. The substitute also added requirements that the governor appoint four individuals to the Transformational Projects Authority Board from nominations submitted by legislative quadrant leaders and that the Transformational Projects Authority grant priority to a public transit provider with established services and rolling rapid transit located in an MDOT region with a population of at least 1.0 million for annual qualified investments of up to $5.0 million.

BACKGROUND INFORMATION:

Below is a list of public acts governing Michigan's public transit agencies:

- Public Act 7 of 1967, Urban Cooperation Act: Authorizes authorities organized under interlocal agreements.
- Public Act 8 of the 1967 Extra Session: Authorizes intergovernmental transfers of functions and responsibilities.
- Public Act 35 of 1951: Authorizes municipal corporations, including public transit corporations, to enter into intergovernmental contracts.
- Public Act 55 of 1963, Mass Transportation Authorities Act: Authorizes mass transit authorities in cities with a population of less than 300,000.
- Public Act 94 of 1933, Revenue Bond Act: Authorizes public corporations to make public improvements, including transportation systems. Many county transportation systems are organized under this act.

- Public Act 196 of 1986, Public Transportation Authority Act: Authorizes two or more political subdivisions (counties, cities, villages, townships) to form a public authority to provide public transportation services.
- Public Act 204 of 1967, Metropolitan Transportation Authorities Act: Authorizes regional transportation authorities formed by two or more counties in a metropolitan area.
- Public Act 387 of 2012, Regional Transit Authority Act: Authorizes a regional transit authority formed by four or more counties in southeast Michigan.

There are reportedly 82 public transit agencies in the state of Michigan.[28]

Section 5309 of the Federal Transit Act (49 USC) is a federal transit capital grant program administered by the Federal Transit Administration.[29] Section 5309 requires that grant applicants have the legal, financial, and technical capacity to carry out the proposed project and that applicants demonstrate a local financial commitment to provide necessary matching funds and to operate the facility. Under section 5309 grants, federal funds generally provide 80% of the project cost, with the 20% balance coming from non-federal (typically state and local) sources.

Note that a fund named the Make it in Michigan Competitiveness Fund was created in boilerplate under section 891 of Article 5 of 2023 PA 119, and appropriated $286.8 million GF/GP to the Department of Technology, Management, and Budget for FY 2023-24. The Make it in Michigan Competitiveness Fund was created to leverage federal funding opportunities. The bills would not affect the provisions and restrictions related to the Make it in Michigan Competitiveness Fund, which include authorization for the State Administrative Board to inter-transfer money from the fund to existing line items upon notification to and approval from the House and Senate appropriations committees.

FISCAL INFORMATION:

Senate Bills 559 and 562 would increase costs for the Michigan Strategic Fund by an indeterminate amount, largely by expanding the MSF's responsibilities. The amount of any increased costs would be related to the various additional administrative and new programming costs required under the bills' provisions.

Senate Bill 559 would increase costs for the MSF for additional administrative responsibilities, including requiring additional reporting requirements concerning the Critical Industry Program and the Michigan Strategic Site Readiness Program, as well as requiring the MSF Board to consider and document a variety of additional criteria before entering into written agreements for qualified investments. Under the bill's provisions, MSF may retain 3.5% of a qualified investment under the CIP or 3.5% of a grant, loan, or other economic assistance under the SSRP for additional administrative expenses. Any additional costs to the department would be from any expenses that exceed the allocation from the 3.5% of funding that would be retained from awards for these three programs.

[28] See https://www.michiganpublictransit.com/.
[29] See https://www.transit.dot.gov/capital-investment-grants-5309.

Under the provisions of the bill, the state may see an increase in general fund revenues. Current law requires that all money paid to the MSF for a clawback or specific repayment provision for a grant, loan, or other economic assistance under the CIP or the SSRP must be deposited into the SOAR Fund. The bill changes this language to require that this funding must be deposited into the state general fund, instead of the SOAR Fund.

While the Make it in Michigan Fund would generally replace the SOAR Fund and adopt most of the same provisions, SB 562 would specify certain investment options for money in the fund. It appears that this would authorize investments that were not otherwise available under the SOAR Fund. To the extent that it does, it could change the availability of funds for programming under the CIP and SSRP or the return on investments.

House Bill 5768 would directly reduce general fund revenues by *up to* $550.0 million annually beginning in FY 2025-26 and ending in FY 2034-35.

Under 2023 PA 4, earmarks of corporate income tax (CIT) revenue were expected to reduce general fund revenue by *up to* $600.0 million in FY 2022-23 through FY 2024-25, and *up to* $50.0 million per year thereafter beginning with FY 2025-26. Based on May 2024 Consensus Revenue Estimating Conference (CREC) estimates, CIT revenue is estimated to reach at least $1.8 billion through FY 2025-26 (the end of the forecast window), thereby allowing the maximum distributions to the SOAR Fund ($500.0 million), the Revitalization and Placemaking (RAP) Fund ($50.0 million), and the Michigan Housing and Community Development Fund ($50.0 million). Beginning in FY 2025-26, current law only continues the $50.0 million earmark for the Michigan Housing and Community Development Fund.

House Bill 5768 would extend $550.0 million in CIT earmarks set to expire at the end of FY 2024-25 for another 10 years (through FY 2034-35) but change the distribution of funds. The following distributions would be made, in the following order, under the bill beginning in FY 2025-26 (after CIT revenues reached $1.2 billion) through FY 2034-35:

- Up to $100.0 million (an increase of $50.0 million from current law) for the Michigan Housing and Community Development Fund.
- Up to $50.0 million for the RAP Fund.
- Up to $200.0 million for the Michigan Mobility Trust Fund.
- Up to $250.0 million for the Make it in Michigan Fund (formerly known as SOAR Fund).

Beginning in FY 2035-36, all CIT revenue would be deposited in the general fund, which was the case prior to FY 2022-23.

To realize the maximum distributions under the bill, CIT revenues would need to reach $1.8 billion in the fiscal year. The following represent May 2024 CREC estimates over the three-year forecast horizon and indicate collections exceeding $1.8 billion:

- FY 2023-24: $2,225.0 million
- FY 2024-25: $2,198.0 million
- FY 2025-26: $2,156.0 million

House Bill 5769 would require the Transformational Projects Authority to expend 20% of the money deposited to the Michigan Mobility Trust Fund (described further below) each year for payment of supplemental operating grants to eligible authorities and eligible governmental entities. Under HB 5768, the Michigan Mobility Trust Fund would receive *up to* $200.0 million annually between FY 2025-26 and FY 2034-35, which would equal *up to* $40.0 million for this purpose. Eligible authorities and eligible governmental entities represent "transit agencies" and certain public ferry services, authorized under 9 section 10e(4)(a) of 1951 PA 51 to receive state operating assistance (Local bus operating).

After expenditures for supplemental operating grants, the bill would authorize the authority to expend money from the trust fund for "qualified investments in transformational mobility projects" and make determinations pursuant to certain criteria. The bill would limit the amount of a qualified investment to $5.0 million in a fiscal year. The bill would also require that the authority adopt a program administration goal to ensure that distributions of Michigan Mobility Trust Fund monies to MDOT regions be proportionate to population of the respective regions.

The activities authorized and required of the authority under the bill would be funded primarily through a Michigan Mobility Trust Fund created through amendment to the Michigan Trust Fund Act by **House Bill 5770**. As noted above, the provisions of HB 5768 would earmark up to $200.0 million annually between FY 2025-26 and FY 2034-35 from CIT revenues to the Michigan Mobility Trust Fund.

Eligible authorities and eligible governmental agencies, i.e., public transit agencies and eligible ferry services, are local units of government and additional funds allocated to those entities would represent an increase in state aid to local units of government.[30]

ARGUMENTS:

For:

Supporters of reforming the SOAR program argue that Michigan has lacked a consistent and predictable economic development strategy, and the upcoming expiration of the program provides an opportunity to address the problem. They believe that although the current business incentives administered through SOAR should be significantly restructured, they should ultimately be extended to allow the state to continue using its current tools to attract businesses and talent in accordance with a long-term economic development strategy. They argue that the proposed SOAR reforms, particularly the restructuring of the program to allocate the right amount of money to business incentives, would be complemented by House Bills 5768, 5769, and 5770 to create a comprehensive long-term growth strategy that invests in both employees and employers.

For:

Supporters argue that the legislation takes a comprehensive approach to economic development that benefits both businesses and Michigan residents and that accounts for the diverse lifestyles and geography of the state's communities. They believe that the bills would strike the right balance between business attraction and community investment to help grow Michigan's economy, better position the state and local communities to attract and retain talent, and improve the quality of life for residents. Supporters also highlight that the bills would provide

[30] For additional information on current funding for local transit agency operating and capital expenses, see https://www.house.mi.gov/hfa/PDF/Alpha/Fiscal_Brief_CTF_and_State_Support_for_Public_Transit_Aug2023.pdf

a flexible approach to infrastructure investments that recognizes the different housing and mobility needs of different regions.

For:

Supporters of the substitutes adopted for Senate Bills 559 and 562 argued that the bills improve on previous iterations of SOAR reform by increasing the amount of money allocated for community investments and separating those investments from funding for business attraction so that the talent pool will grow in a community before a specific company decides to locate there. They believe that community and infrastructure investments need to take place long before a business decides to locate to that area, as projects that are tied to a business incentive would occur too late to develop and attract the talent pool that the business needs. Additionally, supporters believe the legislation would ensure that money will be spent in a way that has a transformational impact, rather than on a wide variety of projects that split up the funding.

For:

Supporters of the House bills argue that talent attraction and retention are key to growing Michigan's population and developing its economy, and one of the primary reasons that Michigan has missed out on being selected by businesses for some major projects is a lack of investment in its talent pipeline in comparison to other states. They believe that the top priority for attracting skilled workers to Michigan should be creating areas where young people would want to live, work, and raise a family, which could be accomplished through the long-term investments in housing, placemaking, and transit proposed by House Bills 5768, 5679, and 5770.

For:

Similarly, supporters of House Bills 5679 and House Bill 5770 argue that transit is one of the top needs for economic development and that a large investment in transit is necessary to attract talent and remove barriers to economic opportunity. Supporters highlight that more transit services will be necessary as more people move to smaller communities for the cost of living or lifestyle, and the bills would particularly benefit areas that are being developed or revitalized for businesses but currently lack sufficient mobility services to allow Michigan residents to access those future jobs. They also argue that HB 5769 could help the state secure more federal funding to further develop its transit system.

Against:

Opponents of the bills believe that business attraction funding should not be extended after SOAR expires and raise concerns about setting aside a large amount of money through a single legislative package. They argue that providing cash incentives to businesses through SOAR has historically been unsuccessful in achieving the promised return on investment, as several projects have been delayed or downsized, and that the proposed reforms still lack sufficient guardrails to ensure that businesses are accountable for following through on the proposed job creation and wage levels. While some are supportive of the investments in transit and housing proposed by House Bills 5768, 5769, and 5770, opponents believe that those investments should happen separately from SOAR reform and that a better use of the business incentive money would be funding for those public projects rather than giveaways to large corporations and developers.

POSITIONS:

Representatives of the following entities testified in support of the bills (6-4-24):

- Flint Mass Transportation Authority
- Operating Engineers 324
- Market Van Buren
- Michigan Municipal League
- Michigan Public Transit Association
- Northern Michigan Chamber Alliance
- Oakland County Executive
- Renovare Development
- ROCK
- Suburban Mobility Authority for Regional Transportation
- The Rapid
- Transportation Riders United
- Traverse Connect

A representative of the Michigan Association of Railroad Passengers testified in support of House Bills 5769 and 5770. (6-11-24)

The following entities indicated support for the bills:

- Alger County Transit (6-4-24)
- Ann Arbor Area Transportation Authority (6-4-24)
- Ann Arbor Housing Development Corporation (6-4-24)
- Arenac Public Transit Authority (6-4-24)
- Battle Creek Transit (6-4-24)
- Bay Area Transit Authority (6-4-24)
- Bay Metro Transit (6-4-24)
- Belding Dial-A-Ride (6-4-24)
- Benzie Transportation Authority (6-4-24)
- Blue Water Transit (6-4-24)
- Bonner Advisory Group (6-4-24)
- Cadillac Wexford Transit Authority (6-4-24)
- Capital Area Transportation Authority (6-4-24)
- Cass County Transportation Authority (6-4-24)
- City of Ann Arbor (6-4-24)
- Clinton Area Transit System (6-4-24)
- Cornerstone Alliance (6-4-24)
- Crawford County Transit Authority (6-4-24)
- Delta County Transit (6-4-24)
- Detroit Department of Transportation (6-4-24)
- Detroit Disability Power (6-4-24)
- Detroit Economic Growth Corporation (6-4-24)
- Detroit Region Aerotropolis (6-4-24)
- Detroit Regional Partnership (6-4-24)
- Detroit Transportation Company (6-4-24)

- Downtown Detroit Partnership (6-4-24)
- Eastern Upper Peninsula Transportation Authority (6-4-24)
- Eaton County Transportation Authority (6-4-24)
- Economic Development Alliance of St. Clair County (6-4-24)
- Economic Development Leaders for Michigan (6-4-24)
- Flint Genesee Economic Alliance (6-4-24)
- General Motors (6-4-24)
- Gogebic County Transit (6-4-24)
- Greater Lapeer Transportation Authority (6-4-24)
- Gritter Real Estate Services (6-4-24)
- Groundworks Center for Resilient Communities (6-4-24)
- Henry Ford Health (6-11-24)
- Housing North (6-4-24)
- Huron Transit Corporation (6-4-24)
- I-Ride Isabella County Transit (6-4-24)
- Invest UP (6-4-24)
- Kalamazoo Transit (6-4-24)
- Kinexus (6-4-24)
- Lake Erie Transit (6-4-24)
- Lansing Economic Area Partnership (6-4-24)
- MACC Development (6-4-24)
- Marquette County Transit Authority (6-4-24)
- Metropolitan Affairs Coalition (6-4-24)
- Michigan Environmental Council (6-4-24)
- Michigan Manufacturers Association (6-11-24)
- MI-Rail (6-4-24)
- Michigan Regional Council of Carpenters and Millwrights (6-4-24)
- Midland Dial-A-Ride (6-4-24)
- Muskegon Area Transit System (6-4-24)
- Natural resources Defense Council (6-4-24)
- Northern Michigan Chamber Alliance (6-4-24)
- Ogemaw County Transit (6-4-24)
- PEAC (6-4-24)
- Regional Transit Authority of Southeast Michigan (6-4-24)
- Roscommon County Transportation Authority (6-4-24)
- Saginaw Transit Authority and Regional Services (6-4-24)
- Saginaw Valley State University (6-4-24)
- Sanilac Transportation Corporation (6-4-24)
- Schoolcraft County Transit (6-4-24)
- Shiawassee Area Transportation Agency (6-4-24)
- Southeast Michigan Council of Governments (6-4-24)
- Thumb Area Transit (6-4-24)
- Washtenaw County Commission (6-4-24)
- Wayne County (6-4-24)

The Michigan Economic Development Corporation indicated support for House Bill 5768 and Senate Bills 559 and 562. (6-4-24)

The following entities indicated support for Senate Bills 559 and 562:
- Community Economic Development Association of Michigan (6-4-24)
- Michigan Association of Counties (6-11-24)

The following entities indicated support for House Bills 5768, 5769, and 5570:
- Caro Transit Authority (6-4-24)
- City of Detroit (6-4-24)
- Community Economic Development Association of Michigan (6-11-24)
- County Connection of Midland (6-4-24)
- Detroit Economic Growth Corporation (6-4-24)
- Detroit Regional Chamber (6-4-24)
- Economic Development Leaders for Michigan (6-4-24)
- Evergreen Action (6-11-24)
- Ionia Dial-A-Ride (6-4-24)
- Jackson Area Transportation Authority (6-4-24)
- Kalkaska Transit Authority (6-4-24)
- League of Michigan Bicyclists (6-4-24)
- Lenawee Public Transit Authority (6-11-24)
- Michigan Association of Transportation Systems (6-4-24)
- Michigan Building Trades (6-11-24)
- Northern Michigan Chamber Alliance (6-4-24)
- Thunder Bay Transit Association (6-4-24)
- Wayne County Executive (6-4-24)

The following entities indicated support for House Bills 5769 and 5770 (6-4-24):
- International Association of Sheet Metal, Air, Rail and Transportation Workers, Transit Division
- The Ecology Center

Dow indicated support for Senate Bill 559. (6-4-24)

The Amalgamated Transit Union indicated support for House Bill 5769. (6-4-24)

The Mackinac Center for Public Policy indicated opposition to the bills. (6-4-24)

Legislative Analyst: Holly Kuhn
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Benjamin Gielczyk