

— LEGISLATIVE —  
**TESTIMONY**

*February 20, 2025*

MICHAEL D. LAFAIVE

**Michigan Should  
Advance Government  
Transparency with a  
Ban on Non-Disclosure  
Agreements**

Government Operations Committee

# Support of House Bills 4052 and 4053

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Good morning. My name is Michael LaFaive, and I am senior director of the Morey fiscal policy initiative for the Mackinac Center for Public Policy, where I have worked for nearly 30 years and watched the state become aggressively less transparent. Thank you for allowing me to testify today in favor of House Bills 4052 and 4053.

These bills would prohibit the recent MEDC practice of insisting that legislators sign non-disclosure agreements on projects involving state funds.

Such agreements are undemocratic. Voters who pay the bills of government deserve to know how their money is spent but are stymied when their lawmakers are silenced.

These NDAs deprive voters and taxpayers of opportunities to air concerns about state spending and any risks associated with it.

Residents of quaint communities such as Big Rapids or Marshall townships were effectively ambushed by the state and corporations a few years ago when they were simply told they'd be living in or near a new factory town. In Wisconsin, secrecy led to a \$4 billion plus deal that saw people have their homes taken through eminent domain for a Foxconn factory that never delivered on all its promises.

Many might argue that secrecy is necessary for protection of delicate negotiations, but it is more likely to protect the state and corporations from bad public relations. In 2017 a Google employee basically said as much in writing to a San Jose, CA official.

In addition, secrecy prevents economists and other public policy experts from measuring the merits of spending deals independent of state or corporate interests. Michigan has a long history of being spectacularly wrong about the impact of its spending, especially as it relates to economic development deals. Transparency would lead to a wider array of useful analyses than lawmakers might otherwise get.

Several of your colleagues have publicly expressed regrets for signing NDAs in order to obtain information on local projects from MEDC – only to learn later that the agency would neither share the information they had sought, nor fully release them from their NDAs even after they had supposedly been terminated.

Finally, as our attorneys review this issue, they would draw your attention to Article IV, Section 11 of the Michigan Constitution, which says that senators and representatives “shall not be questioned in any other place for any speech in either house.”

We thank Representatives Carra and Wegela for their leadership on this critical transparency issue and urge your support for these bills.

**Michael D. LaFaive**

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The Mackinac Center for Public Policy is dedicated to improving the understanding of economic principles and public policy among private citizens and public officials. A nonprofit and nonpartisan research and education institute, the Mackinac Center has grown to be one of the largest state-based think tanks in the country since its founding in 1987.

Additional information about the Mackinac Center and its mission to improve the quality of life in Michigan through sound public policy can be found at [www.mackinac.org](http://www.mackinac.org).

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