

SENATE JOINT RESOLUTION C

May 10, 2005, Introduced by Senators JACOBS, SCHAUER, SWITALSKI, BRATER, BASHAM, BERNERO, PRUSI, THOMAS, LELAND, OLSHOVE, BARCIA, CLARK-COLEMAN, SCOTT, EMERSON, CHERRY and CLARKE and referred to the Committee on Appropriations.

A joint resolution proposing an amendment to the state constitution of 1963, by adding section 15a to article IX, to authorize the issuance of general obligation bonds, to finance the creation of new jobs in this state, and to make certain loans, grants, or investments in private and public entities.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to authorize the issuance of general obligation bonds, to finance the creation of new jobs in this state, and to make certain loans, grants, or investments in private

and public entities, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

SEC. 15A. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CONSTITUTION, HAVING IN VIEW THE GENERAL WELFARE OF THE PEOPLE OF THIS STATE, EACH OF THE FOLLOWING IS AUTHORIZED:

(A) THE JOBS FOR MICHIGAN FUND MAY ENGAGE IN ACTIVITIES TO DIVERSIFY THE ECONOMY OF THIS STATE, ENCOURAGE LONG-TERM ECONOMIC GROWTH AND FULL EMPLOYMENT, AND CREATE NEW JOBS, AS AUTHORIZED BY LAW.

(B) THE JOBS FOR MICHIGAN FUND MAY MAKE LOANS AND GRANTS TO, AND INVESTMENTS IN, PUBLIC ENTITIES AND PRIVATE BUSINESSES AND MAY MAKE PLEDGES TO SECURE LOANS OR INVESTMENTS TO ASSIST IN ACHIEVING THE OBJECTIVES OF THE JOBS FOR MICHIGAN FUND AS AUTHORIZED BY LAW. INVESTMENTS OF THE JOBS FOR MICHIGAN FUND, WHICH MAY INCLUDE AN INVESTMENT, A SUBSCRIPTION TO, OR INTEREST IN THE STOCK OF A COMPANY, ASSOCIATION, CORPORATION, OR OTHER ENTITY, SHALL BE MADE BASED UPON RECOMMENDATIONS OF INDEPENDENT JOB CREATION EXPERTS AS PROVIDED BY LAW.

(C) IN ADDITION TO ANY OTHER BORROWING POWER, THIS STATE SHALL BORROW A SUM NOT TO EXCEED \$2,000,000,000.00 AND ISSUE THE GENERAL OBLIGATION BONDS OF THIS STATE, PLEDGING THE FULL FAITH AND CREDIT OF THIS STATE FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS. THE PROCEEDS OF THE BONDS SHALL BE USED TO FINANCE THE ACTIVITIES OF THE JOBS FOR MICHIGAN FUND AS PROVIDED BY LAW.

(D) THE PROCEEDS OF BONDS ISSUED UNDER THIS SECTION SHALL BE APPROPRIATED BY LAW TO THE JOBS FOR MICHIGAN FUND FOR PURPOSES

1 AUTHORIZED BY LAW WITH THE ASSENT OF A MAJORITY OF THE MEMBERS
2 ELECTED TO AND SERVING IN EACH HOUSE OF THE LEGISLATURE AND SHALL
3 BE ALLOCATED BY THE JOBS FOR MICHIGAN FUND AS PROVIDED BY LAW.

4 (2) EACH YEAR, THE JOBS FOR MICHIGAN FUND SHALL COMMISSION A
5 CERTIFIED PUBLIC ACCOUNTING FIRM TO CONDUCT AN INDEPENDENT
6 FINANCIAL AUDIT OF FUND ACTIVITIES FUNDED WITH PROCEEDS OF BONDS
7 AUTHORIZED UNDER THIS SECTION. THE RESULTS OF THE INDEPENDENT AUDIT
8 SHALL BE PUBLISHED BY THE JOBS FOR MICHIGAN FUND AS PROVIDED BY
9 LAW.

10 (3) THE JOBS FOR MICHIGAN FUND IS NOT AUTHORIZED BY LAW TO
11 IMPOSE OR INCREASE ANY TAX.

12 Resolved further, That the foregoing amendment shall be
13 submitted to the people of the state at a special election to be
14 held on November 8, 2005 in the manner provided by law.

15 Resolved further, That it is the intent of the legislature
16 that when submitted to the people the amendment shall be presented
17 with the following question:

18 "A PROPOSAL TO AUTHORIZE BONDS TO FINANCE THE CREATION OF NEW JOBS
19 IN MICHIGAN AND THE DIVERSIFICATION OF MICHIGAN'S ECONOMY

20 The proposed constitutional amendment would:

21 1. Authorize activities by the Jobs for Michigan Fund to create
22 jobs and diversify Michigan's economy by making loans, grants, or
23 investments in private businesses and public entities based on
24 recommendations from independent job creation experts.

25 2. Require annual independent audits of the fund spending and
26 publication of results.

27 3. Permit the State of Michigan to issue bonds of up to \$2

1 billion, pledging the State's full faith and credit to repay
2 principal and interest, to finance the fund.

3 4. Require a majority vote of the Legislature for appropriation
4 of bond proceeds.

5 5. Prohibit the fund from imposing or increasing taxes.

6 Should this proposal be adopted?

7 YES []

8 NO []".