

**SUBSTITUTE FOR  
SENATE BILL NO. 556**

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending sections 5, 88b, and 88h (MCL 125.2005, 125.2088b, and  
125.2088h), section 5 as amended by 2008 PA 224, section 88b as  
amended by 2011 PA 3, and section 88h as added by 2005 PA 225, and  
by adding section 88r.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 5. (1) There is created by this act a public body  
2 corporate and politic to be known as the Michigan strategic fund.  
3 The fund shall be within the department of treasury and shall  
4 exercise its prescribed statutory powers, duties, and functions  
5 independently of the state treasurer. The statutory authority,  
6 powers, duties, functions, records, personnel, property, unexpended  
7 balances of appropriations, allocations, and other funds of the

1 fund, including the functions of budgeting, procurement, personnel,  
2 and management-related functions, shall be retained by the fund,  
3 and the fund shall be an autonomous entity within the department of  
4 treasury in the same manner as the Michigan employment security  
5 commission was designated an autonomous entity within the Michigan  
6 department of labor under section 379 of the executive organization  
7 act of 1965, 1965 PA 380, MCL 16.479.

8 (2) Except as otherwise provided in this act, the purposes,  
9 powers, and duties of the Michigan strategic fund are vested in and  
10 shall be exercised by a board of directors.

11 (3) Except as provided in subsection (4), the board shall  
12 consist of the director of the department of ~~labor and economic~~  
13 ~~growth~~ **LICENSING AND REGULATORY AFFAIRS** or his or her designee from  
14 within the department of ~~labor and economic growth~~, **LICENSING AND**  
15 **REGULATORY AFFAIRS**, the state treasurer or his or her designee from  
16 within the department of treasury, the chief executive officer of  
17 the MEDC, and 6 other members with knowledge, skill, and experience  
18 in the academic, business, or financial field, who shall be  
19 appointed by the governor with the advice and consent of the  
20 senate. None of the 6 members appointed under this section shall be  
21 employees of this state. Not less than 5 members of the board  
22 appointed under this subsection shall be members of the private  
23 sector. Five of the 6 members appointed under this subsection shall  
24 serve for fixed terms. Upon completion of each fixed term expiring  
25 after December 30, 2005, a member shall be appointed for a term of  
26 4 years. Of the private sector members appointed by the governor  
27 for a fixed term, 1 shall be appointed from a list of 3 or more

1 nominees of the speaker of the house of representatives  
2 representing persons within the private sector with experience in  
3 private equity or venture capital investments, commercial lending,  
4 or commercialization of technology and 1 shall be appointed from a  
5 list of 3 or more nominees of the senate majority leader  
6 representing persons within the private sector with experience in  
7 private equity or venture capital investments, commercial lending,  
8 or commercialization of technology. A member appointed under this  
9 subsection or subsection (4) shall serve until a successor is  
10 appointed, and a vacancy shall be filled for the balance of the  
11 unexpired term in the same manner as the original appointment. The  
12 member appointed under this subsection and serving without a fixed  
13 term shall serve at the pleasure of the governor. Of the members  
14 appointed under this subsection and subsection (4), there shall be  
15 minority, female, and small business representation. After December  
16 31, 2005, at least 2 of the members of the board shall have  
17 experience in private equity or venture capital investments, at  
18 least 1 of the members shall have experience in commercial lending,  
19 and at least 1 of the members of the board shall have experience in  
20 commercialization of technology.

21 (4) In addition to the 9 members of the board under subsection  
22 (3), not later than December 15, 2005, the governor shall appoint,  
23 with the advice and consent of the senate, 2 additional members to  
24 the board for terms expiring December 31, 2007. After the initial  
25 appointments under this subsection, members appointed under this  
26 subsection shall be appointed for a term of 4 years. The members  
27 appointed under this subsection shall be from the private sector

1 and shall have experience in private equity or venture capital  
2 investments, commercial lending, or commercialization of  
3 technology. From the date of the appointment of the members under  
4 this subsection until December 31, 2015, the board shall have 11  
5 members. After December 31, 2015, the board shall have 9 members  
6 and no members shall be appointed under this subsection.

7 (5) The governor shall designate 1 member of the board to  
8 serve as its chairperson. The governor shall designate 1 member of  
9 the board to serve as president of the fund and may designate 1  
10 member to serve as vice-president of the fund. The chairperson,  
11 president, and vice-president, if a vice-president is designated,  
12 shall serve as those officers at the pleasure of the governor.

13 (6) Members of the board shall serve without compensation for  
14 their membership on the board, except that members of the board may  
15 receive reasonable reimbursement for necessary travel and expenses.

16 (7) The board may delegate to its president, vice-president,  
17 staff, or others those functions and authority that the board deems  
18 necessary or appropriate, which may include the oversight and  
19 supervision of employees of the fund. However, responsibilities  
20 specifically vested in the board under chapter 8A shall be  
21 performed by the board and shall not be transferred to the MEDC,  
22 **EXCEPT THAT GRANTS, LOANS, OR OTHER ECONOMIC ASSISTANCE UNDER**  
23 **SECTION 88R OF \$1,000,000.00 OR LESS CAN BE AUTHORIZED BY THE**  
24 **PRESIDENT OF THE FUND.**

25 (8) A majority of the members of the board appointed and  
26 serving constitutes a quorum for the transaction of business at a  
27 meeting, or the exercise of a power or function of the fund,

1 notwithstanding the existence of 1 or more vacancies. The board may  
2 act only by resolution approved by a majority of board members  
3 appointed and serving. Voting upon action taken by the board shall  
4 be conducted by majority vote of the members appointed and serving.  
5 Members of the board may be present in person at a meeting of the  
6 board or, if authorized by the bylaws of the board, by use of  
7 telecommunications or other electronic equipment. The fund shall  
8 meet at the call of the chair and as may be provided in the bylaws  
9 of the fund. Meetings of the fund may be held anywhere within the  
10 state of Michigan.

11 (9) The business of the board shall be conducted at a public  
12 meeting of the board held in compliance with the open meetings act,  
13 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date,  
14 and place of the meeting shall be given in the manner required by  
15 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall  
16 also be provided on an internet website operated by the fund. A  
17 record or portion of a record, material, or other data received,  
18 prepared, used, or retained by the fund or any of its centers in  
19 connection with an application to or with a project or product  
20 assisted by the fund or any of its centers or with an award, grant,  
21 loan, or investment under chapter 8A that relates to financial or  
22 proprietary information submitted by the applicant that is  
23 considered by the applicant and acknowledged by the board as  
24 confidential shall not be subject to the disclosure requirements of  
25 the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.  
26 The disclosure of a record concerning investment information  
27 described in section 88c under the freedom of information act, 1976

1 PA 442, MCL 15.231 to 15.246, is subject to the limitations  
2 provided in section 88c. The board may also meet in closed session  
3 pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to  
4 15.275, to make a determination of whether it acknowledges as  
5 confidential any financial or proprietary information submitted by  
6 the applicant and considered by the applicant as confidential.  
7 Unless considered proprietary information, the board shall not  
8 acknowledge routine financial information as confidential. If the  
9 board determines that information submitted to the fund is  
10 financial or proprietary information and is confidential, the board  
11 shall release a written statement, subject to disclosure under the  
12 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, that  
13 states all of the following:

14 (a) The name and business location of the person requesting  
15 that the information submitted be confidential as financial or  
16 proprietary information.

17 (b) That the information submitted was determined by the board  
18 to be confidential as financial or proprietary information.

19 (c) A broad nonspecific overview of the financial or  
20 proprietary information determined to be confidential.

21 (10) The fund shall not disclose financial or proprietary  
22 information not subject to disclosure pursuant to subsection (9)  
23 without consent of the applicant submitting the information.

24 (11) Any document to which the fund is a party evidencing a  
25 loan, insurance, mortgage, lease, venture, or other type of  
26 agreement the fund is authorized to enter into shall not be  
27 considered financial or proprietary information that may be exempt

1 from disclosure under subsection (9).

2 (12) For purposes of subsections (9), (10), and (11),  
3 "financial or proprietary information" means information that has  
4 not been publicly disseminated or which is unavailable from other  
5 sources, the release of which might cause the applicant significant  
6 competitive harm.

7 Sec. 88b. (1) The fund shall create and operate programs  
8 authorized under this chapter. The fund board shall determine the  
9 annual allocation of money for programs authorized under this  
10 chapter and make authorized expenditures or investments from the  
11 investment fund of the 21st century jobs trust fund created in the  
12 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, as  
13 authorized under this chapter for programs and activities  
14 authorized under this chapter.

15 (2) Money transferred or appropriated by law to the fund for  
16 the purposes of carrying out this chapter **OR CHAPTER 8C** shall be  
17 expended or invested by the fund as authorized by law for the  
18 following purposes:

19 (a) 21st century investments.

20 (b) Grants and loans approved by the commercialization board  
21 under section 88k.

22 (c) Other programs or activities authorized under this  
23 chapter.

24 (d) For promotion of tourism in this state. For fiscal year  
25 2010-2011 only, \$20,000,000.00 for the promotion of tourism in this  
26 state from funds appropriated in the jobs for Michigan investment  
27 program - 21st century jobs fund line in section 109 of 2010 PA 191

1 with not less than \$1,500,000.00 to be used for the 2010-2011  
2 winter advertisement buy. For all funds used for promotion of  
3 tourism in this state under this subdivision, the fund shall report  
4 to the legislature at the same time and in the same manner as  
5 provided in section 89d.

6 **(E) GRANTS, LOANS, OR OTHER ECONOMIC ASSISTANCE UNDER SECTION**  
7 **88R AND COMMUNITY REVITALIZATION INCENTIVES UNDER CHAPTER 8C.**

8 ~~—— (3) Except for the appropriations described in section 88j(3)~~  
9 ~~and as otherwise provided in section 88g, for fiscal years other~~  
10 ~~than the 2008-2009 and 2009-2010 fiscal years the fund board shall~~  
11 ~~not expend more than the following amounts each year from the 21st~~  
12 ~~century jobs trust fund created in the Michigan trust fund act,~~  
13 ~~2000 PA 489, MCL 12.251 to 12.260, for the following purposes:~~

14 ~~—— (a) 25% for the loan enhancement program.~~

15 ~~—— (b) 40% for the private equity investment program, the venture~~  
16 ~~capital investment program, and the mezzanine investment program~~  
17 ~~combined.~~

18 ~~—— (c) 70% for competitive edge technology grants and loans under~~  
19 ~~section 88k. The commercialization board shall not authorize the~~  
20 ~~expenditure of more than \$100,000,000.00 of the amount described in~~  
21 ~~this subdivision for basic research over the life of the program.~~

22 **(3) (4)** Not more than 4% of the annual appropriation as  
23 provided by law from the 21st century jobs trust fund created in  
24 the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may  
25 be used for the purposes of administering the programs and  
26 activities authorized under this chapter. However, the fund and the  
27 fund board shall not use more than 3% of the annual appropriation



1 for administering the programs and activities authorized under this  
2 chapter unless the fund board by a 2/3 vote authorizes the  
3 additional 1% for administration. **THE MEDC MAY CHARGE ACTUAL AND**  
4 **REASONABLE FEES FOR COSTS ASSOCIATED WITH LOANS UNDER THIS CHAPTER.**  
5 **THESE FEES ARE IN ADDITION TO AN AMOUNT OF THE APPROPRIATION USED**  
6 **FOR ADMINISTERING THE PROGRAMS AND ACTIVITIES AUTHORIZED UNDER THIS**  
7 **CHAPTER.**

8 (4) ~~(5)~~—Not more than 5% of the annual appropriation as  
9 provided by law from the 21st century jobs trust fund created in  
10 the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may  
11 be used for business development and business marketing costs. Not  
12 less than 80% of the funds committed for business development and  
13 business marketing costs shall be targeted to persons or entities  
14 outside of this state. No funds may be used for any business  
15 development and business marketing effort that includes a reference  
16 to or the image or voice of an elected state officer or a candidate  
17 for elective state office and that is targeted to a media market in  
18 Michigan. The fund board shall select all vendors for all marketing  
19 expenditures under this chapter by issuing a request for proposal.  
20 At a minimum, the request for proposal shall require the responding  
21 entities to disclose any conflict of interest, disclose any  
22 criminal convictions, disclose any investigations by the internal  
23 revenue service or any other federal or state taxing body or court,  
24 disclose any pertinent litigation regarding the conduct of the  
25 entity, and maintain records and evidence pertaining to work  
26 performed. The fund board shall establish a standard process to  
27 evaluate proposals submitted as a result of a request for proposal

1 and appoint a committee to review the proposals. The fund or the  
2 fund board shall not appoint or designate any person paid or unpaid  
3 to a committee to review proposals if that person has a conflict of  
4 interest with any potential vendors as determined by the office of  
5 the chief compliance officer established in section 88i.

6 (5) ~~(6)~~—The fund shall not use any money appropriated or  
7 transferred for purposes authorized under this chapter to acquire  
8 interests in or improve real property. **THE RESTRICTION UNDER THIS**  
9 **SUBSECTION DOES NOT PROHIBIT THE FUND FROM TAKING A SECURITY**  
10 **INTEREST IN REAL PROPERTY.** The restriction under this subsection  
11 applies only to the fund and not to recipients of expenditures or  
12 investments under this chapter.

13 Sec. 88h. (1) The jobs for Michigan investment fund is created  
14 within the fund as a permanent fund authorized by section 19 of  
15 article IX of the state constitution of 1963. Money in the  
16 investment fund at the close of the fiscal year shall remain in the  
17 investment fund and shall not lapse to the general fund. Money in  
18 the investment fund shall not be transferred to another  
19 governmental entity or a separate legal entity and public body  
20 corporate established under the urban cooperation act of 1967, 1967  
21 (Ex Sess) PA 7, MCL 124.501 to 124.512, except as authorized in  
22 this chapter.

23 (2) Money or other assets deposited in the investment fund  
24 shall be held as permanent funds as provided under section 19 of  
25 article IX of the state constitution of 1963 and invested only as  
26 authorized under this chapter, including, but not limited to,  
27 investments in the stock of a company, association, or corporation.

1           (3) The investment fund shall be invested as authorized under  
2 this chapter for the benefit of the people of the state of Michigan  
3 and for the purpose of creating incentives for the following in  
4 this state:

5           (a) Diversifying the economy.

6           (b) Retaining or creating jobs.

7           (c) Increasing capital investment activity.

8           (d) Increasing commercial lending activity.

9           (e) Encouraging the development and commercialization of  
10 competitive edge technologies.

11           (4) Funds or other assets of the investment fund also may be  
12 invested in debt instruments or debt obligations for loans or  
13 guarantees authorized under this chapter.

14           (5) The investment fund shall consist of all of the following:

15           (a) Any funds appropriated to, transferred to, or deposited in  
16 the investment fund from the 21st century jobs trust fund under the  
17 Michigan trust fund act, 2000 PA 489, MCL 12.251 to ~~12.256~~-**12.260**.

18           (b) Earnings, royalties, return on investments, return of  
19 principal, payments made, or other money received by or payable to  
20 the fund under agreements related to grants, loans, investments, or  
21 expenditures by the fund under this chapter.

22           (c) Assets, property, money, earnings, royalties, return on  
23 investments, return of principal, payments made, or other money  
24 owed, received by, or payable to the fund or the Michigan economic  
25 development corporation under agreements related to grants, loans,  
26 investments, or other payments funded by appropriations from the  
27 state general fund or tobacco settlement revenue under 1 or more of

1 the following:

2 (i) Section 418 of 1999 PA 120, commonly known as the health  
3 and aging research and development initiative or the Michigan life  
4 sciences corridor initiative, or any successor program.

5 (ii) Section 410 of 2000 PA 292, commonly known as the health  
6 and aging research and development initiative or the Michigan life  
7 sciences corridor initiative, or any successor program.

8 (iii) Section 410 of 2001 PA 80, commonly known as the health  
9 and aging research and development initiative or the Michigan life  
10 sciences corridor initiative, or any successor program.

11 (iv) Section 410 of 2002 PA 517, commonly known as the Michigan  
12 life sciences corridor initiative, or any successor program.

13 (v) Section 410 of 2003 PA 169, commonly known as the Michigan  
14 life sciences and technology tri-corridor initiative, or any  
15 successor program.

16 (vi) Section 510 of 2004 PA 354, commonly known as the Michigan  
17 technology tri-corridor and life sciences initiative, or any  
18 successor program.

19 (vii) Section 801 of 2005 PA 11, commonly known as the  
20 technology tri-corridor and life sciences initiative, or any  
21 successor program.

22 (viii) Section 381(1)(c) of 2003 PA 173, providing for payments  
23 to the life sciences commercial development fund.

24 (d) Money or assets received by the state treasurer or the  
25 fund from any source for deposit in the investment fund.

26 (e) Interest and earnings on any funds or other assets  
27 deposited in the investment fund or other net income of the

1 investment fund.

2 (F) ANY OTHER FUNDS APPROPRIATED FOR PROGRAMS UNDER THIS  
3 CHAPTER.

4 (6) The net income of the investment fund may be expended by  
5 the fund only for purposes authorized under this chapter pursuant  
6 to an appropriation authorized by law. As used in this section, the  
7 net income of the investment fund shall be computed annually as of  
8 the last day of the state fiscal year in accordance with generally  
9 accepted accounting principles, excluding any unrealized gains or  
10 losses.

11 (7) The fund board shall be the trustees of the investment  
12 fund and shall direct the investment and reinvestment of the funds  
13 and assets of the investment fund as provided under, and consistent  
14 with the objectives of, this chapter.

15 (8) The fund board may establish restricted subaccounts within  
16 the investment fund as necessary to administer the investment fund.  
17 The fund board may contract with the state treasurer to assist the  
18 fund board in administering the investment fund. The fund board may  
19 authorize money in the investment fund not invested as authorized  
20 under sections 88d, 88e, 88f, and 88g to be managed by the state  
21 treasurer as part of the common cash fund of this state under 1967  
22 PA 55, MCL 12.51 to 12.53. Money managed by the state treasurer  
23 under this subsection shall be separately accounted for by the  
24 state treasurer. When authorized under this subsection, the state  
25 treasurer may invest the funds or assets of the investment fund in  
26 any investment authorized under 1855 PA 105, MCL 21.141 to 21.147,  
27 for surplus funds of this state, in obligations issued by any state

1 or political subdivision or instrumentality of the United States,  
2 or in any obligation issued, assumed, or guaranteed by a solvent  
3 entity created or existing under the laws of the United States or  
4 of any state, district, or territory of the United States, which  
5 are not in default as to principal or interest.

6 (9) A member of the fund board or officer of the fund shall  
7 not gain from any investment of funds or assets of the investment  
8 fund. A member of the fund board or officer of the fund shall not  
9 have any direct or indirect interest in an investment of funds or  
10 assets of the investment fund. A member of the fund board or person  
11 connected with the investment fund directly or indirectly, for  
12 himself or herself, or as an agent or partner of others, shall not  
13 borrow any of the funds or assets of the investment fund or in any  
14 manner use funds or assets of the investment fund except as  
15 authorized under this chapter. A member of the fund board or  
16 officer of the fund shall not become an endorser or surety or  
17 become in any manner an obligor for money loaned by or borrowed  
18 from the investment fund. Failure to comply with this subsection  
19 constitutes misconduct in office subject to removal under section  
20 94.

21 **SEC. 88R. (1) THE FUND SHALL CREATE AND OPERATE THE MICHIGAN**  
22 **BUSINESS DEVELOPMENT PROGRAM TO PROVIDE GRANTS, LOANS, AND OTHER**  
23 **ECONOMIC ASSISTANCE TO QUALIFIED BUSINESSES THAT MAKE QUALIFIED**  
24 **INVESTMENTS IN THIS STATE OR PROVIDE QUALIFIED NEW JOBS IN THIS**  
25 **STATE.**

26 (2) **THE MICHIGAN BUSINESS DEVELOPMENT PROGRAM SHALL PROVIDE**  
27 **FOR ALL OF THE FOLLOWING:**

1 (A) GRANTS, LOANS, AND OTHER ECONOMIC ASSISTANCE TO ASSIST  
2 QUALIFIED BUSINESSES IN MAKING QUALIFIED INVESTMENTS AND PROVIDING  
3 NEW JOBS IN THIS STATE, WITH PREFERENCE GIVEN TO QUALIFIED  
4 BUSINESSES THAT NEED ADDITIONAL ASSISTANCE FOR DEAL-CLOSING AND FOR  
5 SECOND STAGE COMPANY GAP FINANCING.

6 (B) A DETAILED APPLICATION, APPROVAL, AND COMPLIANCE PROCESS  
7 PUBLISHED AND AVAILABLE ON THE FUND'S WEBSITE. THE DETAILED  
8 APPLICATION, APPROVAL, AND COMPLIANCE PROCESS SHALL, AT A MINIMUM,  
9 CONTAIN THE FOLLOWING:

10 (i) A QUALIFIED BUSINESS MAY APPLY FOR A GRANT, LOAN, OR OTHER  
11 ECONOMIC ASSISTANCE IN A FORM AND MANNER DETERMINED BY THE FUND.

12 (ii) AFTER RECEIPT OF AN APPLICATION, THE FUND MAY ENTER INTO A  
13 WRITTEN AGREEMENT WITH THE QUALIFIED BUSINESS IF THE QUALIFIED  
14 BUSINESS AGREES TO MAKE CERTAIN QUALIFIED INVESTMENTS OR CREATE A  
15 CERTAIN NUMBER OF NEW JOBS IN THIS STATE.

16 (iii) THE WRITTEN AGREEMENT SHALL PROVIDE IN A CLEAR AND CONCISE  
17 MANNER ALL OF THE CONDITIONS IMPOSED, INCLUDING SPECIFIC TIME  
18 FRAMES, ON THE QUALIFIED BUSINESS TO RECEIVE A GRANT, LOAN, OR  
19 OTHER ECONOMIC ASSISTANCE UNDER THIS SECTION.

20 (iv) THE WRITTEN AGREEMENT SHALL PROVIDE FOR A REPAYMENT  
21 PROVISION OF ANY GRANTS, LOANS, OR OTHER ECONOMIC ASSISTANCE IF THE  
22 QUALIFIED BUSINESS FAILS TO COMPLY WITH THE PROVISIONS OF THE  
23 WRITTEN AGREEMENT.

24 (v) THE WRITTEN AGREEMENT SHALL PROVIDE FOR AN AUDIT PROVISION  
25 THAT REQUIRES THE FUND TO VERIFY THAT ESTABLISHED MILESTONES FOR  
26 THE PROJECT HAVE BEEN MET.

27 (C) IN ANY FISCAL YEAR, A QUALIFIED BUSINESS SHALL NOT RECEIVE

1 MORE THAN \$10,000,000.00 FOR A PROJECT FUNDED UNDER THIS SECTION.

2 (3) THE FUND SHALL NOT ENTER INTO A WRITTEN AGREEMENT WITH A  
3 QUALIFIED BUSINESS UNLESS ALL OF THE FOLLOWING ARE MET:

4 (A) THE MUNICIPALITY MAKES A STAFF, FINANCIAL, OR ECONOMIC  
5 COMMITMENT TO THE PROJECT AS DETERMINED BY THE FUND.

6 (B) THE QUALIFIED BUSINESS PROVIDES A BUSINESS PLAN OR  
7 DEMONSTRATES THE NEED FOR THE GRANT, LOAN, OR OTHER ECONOMIC  
8 ASSISTANCE.

9 (C) THE QUALIFIED BUSINESS AGREES TO PROVIDE THE DATA  
10 DESCRIBED IN THE WRITTEN AGREEMENT NECESSARY FOR THE FUND TO REPORT  
11 TO THE LEGISLATURE UNDER THIS ACT.

12 (4) THE FUND SHALL POST ON ITS WEBSITE OR POST ON THE WEBSITE  
13 OF THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION THE NAME AND  
14 LOCATION OF EACH QUALIFIED BUSINESS THAT RECEIVED A GRANT, LOAN, OR  
15 OTHER ECONOMIC ASSISTANCE AWARDED UNDER THIS SECTION AND THE AMOUNT  
16 OF THE GRANT, LOAN, OR OTHER ECONOMIC ASSISTANCE.

17 (5) THE FUND, WITH ASSISTANCE FROM THE MICHIGAN ECONOMIC  
18 DEVELOPMENT CORPORATION AND THE OFFICE OF THE CHIEF COMPLIANCE  
19 OFFICER, SHALL ESTABLISH POLICIES AND PROCEDURES TO CONDUCT  
20 BACKGROUND CHECKS ON EACH QUALIFIED BUSINESS APPLYING FOR A GRANT,  
21 LOAN, OR OTHER ECONOMIC ASSISTANCE UNDER THIS SECTION.

22 (6) BEGINNING NOVEMBER 1, 2012 AND EACH YEAR THEREAFTER, THE  
23 FUND SHALL REPORT TO EACH HOUSE OF THE LEGISLATURE ON THE  
24 ACTIVITIES OF THE FUND UNDER THIS SECTION THAT OCCURRED IN THE  
25 PREVIOUS FISCAL YEAR. THE REPORT SHALL BE MADE AVAILABLE IN AN  
26 ELECTRONIC FORMAT. THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO,  
27 ALL OF THE FOLLOWING:



1 (A) THE TOTAL PROPOSED AMOUNT OF QUALIFIED INVESTMENT  
2 ATTRACTED UNDER THIS SECTION.

3 (B) THE TOTAL ACTUAL AMOUNT OF QUALIFIED INVESTMENT ATTRACTED  
4 UNDER THIS SECTION AS REPORTED TO THE FUND.

5 (C) THE TOTAL COMMITTED NUMBER OF NEW JOBS CREATED UNDER THIS  
6 SECTION.

7 (D) THE TOTAL ACTUAL NUMBER OF NEW JOBS CREATED UNDER THIS  
8 SECTION AS REPORTED TO THE FUND.

9 (E) THE TOTAL NUMBER OF NEW WRITTEN AGREEMENTS.

10 (F) THE AMOUNT OF THE GRANT, LOAN, OR OTHER ECONOMIC  
11 ASSISTANCE AWARDED UNDER THIS SECTION SEPARATELY FOR EACH QUALIFIED  
12 BUSINESS.

13 (G) THE ACTUAL AMOUNT OF THE GRANT, LOAN, OR OTHER ECONOMIC  
14 ASSISTANCE MADE UNDER THIS SECTION SEPARATELY FOR EACH QUALIFIED  
15 BUSINESS VERIFIED BY THE FUND.

16 (H) FOR EACH QUALIFIED BUSINESS, WHETHER IT IS A NEW BUSINESS,  
17 WHETHER IT IS AN EXPANSION OF AN EXISTING BUSINESS, OR WHETHER IT  
18 RELOCATED FROM OUTSIDE OF THIS STATE.

19 (I) AN EVALUATION OF THE AGGREGATE RETURN ON INVESTMENT THAT  
20 THIS STATE REALIZES ON THE ACTUAL QUALIFIED NEW JOBS AND ACTUAL  
21 QUALIFIED INVESTMENT MADE BY QUALIFIED BUSINESSES.

22 (J) A REPORT ON THE INDIVIDUALS HIRED BY THE QUALIFIED  
23 BUSINESS THAT INCLUDES THE NUMBER OF INDIVIDUALS HIRED BY THE  
24 QUALIFIED BUSINESS, THEIR EDUCATIONAL ATTAINMENT, INCLUDING, BUT  
25 NOT LIMITED TO, HIGH SCHOOL DIPLOMA OR EQUIVALENT, HIGHER EDUCATION  
26 CERTIFICATE OR DEGREE, OR ADVANCED DEGREE OR TRAINING, AND THE  
27 NUMBER OF INDIVIDUALS HIRED BY THE QUALIFIED BUSINESS WHO RELOCATED

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1 TO THIS STATE <<AS REPORTED TO THE FUND>>.

2 (7) BEGINNING FEBRUARY 1, 2012 AND NOT LESS THAN EVERY 3  
3 MONTHS THEREAFTER, THE FUND SHALL POST ON ITS INTERNET WEBSITE THE  
4 NAME AND LOCATION OF A QUALIFIED BUSINESS THAT RECEIVED APPROVAL OF  
5 A GRANT, LOAN, OR OTHER ECONOMIC ASSISTANCE UNDER THIS SECTION IN  
6 THE IMMEDIATELY PRECEDING 3-MONTH PERIOD.

7 (8) THE LEGISLATURE FINDS AND DECLARES THAT FUNDING AUTHORIZED  
8 UNDER THIS SECTION TO ENCOURAGE DIVERSIFICATION OF THE ECONOMY, TO  
9 ENCOURAGE CAPITAL INVESTMENT IN THIS STATE, AND TO PROMOTE THE  
10 CREATION OF QUALIFIED NEW JOBS IN THIS STATE IS A PUBLIC PURPOSE  
11 AND OF PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND  
12 GENERAL WELFARE OF THE CITIZENS OF THIS STATE.

13 (9) AS USED IN THIS SECTION:

14 (A) "OTHER ECONOMIC ASSISTANCE" MEANS ANY OTHER FORM OF  
15 ASSISTANCE ALLOWED UNDER THIS ACT THAT IS NOT A GRANT OR A LOAN.

16 (B) "QUALIFIED BUSINESS" MEANS A BUSINESS THAT IS LOCATED IN  
17 OR OPERATES IN THIS STATE OR WILL LOCATE OR WILL OPERATE IN THIS  
18 STATE AS DETERMINED BY THE FUND.

19 (C) "QUALIFIED INVESTMENT" MEANS INVESTMENT IN THIS STATE  
20 RELATED TO A PROJECT SUBJECT TO A WRITTEN AGREEMENT UNDER THIS  
21 SECTION.

22 (D) "QUALIFIED NEW JOB" MEANS A JOB PERFORMED BY AN INDIVIDUAL  
23 WHO IS A RESIDENT OF THIS STATE WHOSE MICHIGAN INCOME TAXES ARE  
24 WITHHELD BY AN EMPLOYER, OR AN EMPLOYEE LEASING COMPANY OR  
25 PROFESSIONAL EMPLOYER ORGANIZATION ON BEHALF OF THE EMPLOYER, THAT  
26 IS IN EXCESS OF THE NUMBER OF JOBS MAINTAINED BY THE QUALIFIED  
27 BUSINESS MAINTAINED IN THIS STATE PRIOR TO THE EXPANSION OR

1 LOCATION, AS DETERMINED AND VERIFIED BY THE FUND.